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Japan

Public Works 'Confrontation' With U.S. Viewed

OW1206090590 Tokyo NHK General Television Network in Japanese 0300 GMT 12 Jun 90

[Text] In a news conference following a cabinet meeting this morning, Hideyuki Aizawa, Economic Planning Agency director general, stressed that he is not thinking at all about accepting the U.S. request that Japan indicate its investments in public works projects in terms of a rate to the annual gross national product [GNP]. The expansion of investments in public works projects is a major focal point in the Japan-U.S. Structural Impediment Initiatives [SII] talks.

Indicating such investments in terms of a rate to the GNP, in compliance with the U.S. request, Aizawa said, would bind Japan to this procedure when compiling its budget each year.

In the news conference, Director General Aizawa acknowledged that there is a confrontation between Japan and the United States on the issue of expanded investments in public works projects now, adding that, while Japan wants to draw up the final report on the SII talks based on the contents of the intermediate report, the United States is not adhering to the report but is instead seeking to put additional requirements on Japan. He said that annual investments in public works projects need to be decided, taking into account the economic situation prevailing at that time. If Japan promises to set the amount of investments in terms of a rate to the GNP and to raise this at a certain rate each year, we fear that they will make additional requirements on our budgets every year. In response to such a U.S. request, Mr. Aizawa said that he would like to ask the United States why it is not keeping to its promise to reduce its financial deficit? Thus, Director General Aizawa emphasized that he cannot accept the U.S. request regarding Japan's investments in public works projects.

Government Not To Yield to U.S.

OW1206131990 Tokyo KYODO in English 1303 GMT 12 Jun 90

[Text] Tokyo, June 12 KYODO—Japan will not yield to a demand by the United States to pinpoint a level of public works spending over the next decade, though total outlays are expected to approach the amount requested by the Americans, government sources said Tuesday.

Prime Minister Toshiki Kaifu and Foreign Minister Taro Nakayama agreed after a 40-minute meeting that Japan will not pledge to set aside each year a certain percentage of its gross national product (GNP) for public works as requested by the U.S., officials said.

Nakayama is to convey Japan's position to the United States when he meets with U.S. Secretary of State James Baker in San Francisco on Friday for two days of talks. The meeting will focus on compiling a final report for the Structural Impediments Initiative (SII) talks, which are aimed at reducing structural barriers to trade.

A cabinet source said Japan's total planned outlay will come close to meeting the U.S. demand that Japan spend 9 percent of GNP on public works for the next five years, and 10 percent over the subsequent five-year period. Japan has remained adamant about not pinning itself to a rigid timetable for investments that could hinder fiscal adjustments needed to cushion fluctuations in the economy.

The two governments, after weeks of intense talks, produced an interim report on the talks in April and have agreed to compile a final report by July. But Japanese Government leaders have been angered by the resurgence of the demand on public works spending and a request to establish a joint group to monitor the implementation of the final report. It regards the demands as being outside the framework provided in the interim report.

Foreign Ministry Spokesman Taizo Watanabe told foreign correspondents that the additional demands are "unjustifiable" and "a source of irritation and embarassment." He expressed displeasure at public comments on the matter by U.S. officials, which he said were made after the two governments agreed to settle their differences in quiet talks.

In the weekend foreign ministerial talks, Nakayama will also seek Baker's understanding on its plan to ease a freeze on loans to China, the government source said. The freeze was imposed a year ago following the brutal crackdown on pro-democracy demonstraters in Tiananmen Square.

The matter is expected to be taken up at the July 9-11 Houston summit of leaders of seven industrialized democracies—Britain, Canada, France, Italy, Japan, West Germany, and the United States.

Kaifu, Nakayama Discuss Position

OW1206123790 Tokyo NHK General Television Network in Japanese 1018 GMT 12 Jun

[Text] Foreign Minister Nakayama held talks with Prime Minister Kaifu today, and stated that, at the Japanese-U.S. foreign ministerial talks scheduled for 15 June, he would convey to the U.S. side Japan's efforts in compiling the final report on the Japan-U.S. Structural Impediments Initiative [SII] talks and request their understanding. [Video shows Foreign Minister Nakayama entering the prime minister's official residence.]

Foreign Minister Nakayama is scheduled to hold talks with Secretary of State Baker in San Francisco on 15 June. In preparation for that meeting, the foreign minister called on Prime Minister Kaifu at his official residence this afternoon and briefed the latter on his ideas about the foreign ministerial talks.

Regarding the final report on the U.S.-Japan SII talks, one of the issues still pending from the SII interim report is the U.S. demand that Japan make public the amount it plans to spend on public works projects each year. Touching on this issue at the meeting, Foreign Minister Nakayama briefed the prime minister on his intention to convey to the U.S. side and to gain their understanding of Japan's efforts to develop a concrete, long-term plan for such spending. Prime Minister Kaifu agreed to this. The United States has demanded that Japan indicate the percentage of its gross national product that it intends to spend on its public works each year.

Concerning this issue, Prime Minister Kaifu will call in Foreign Minister Nakayama and Finance Minister Hashimoto to his official residence this evening to discuss the issue further.

Semiconductor Groups' Talks Make 'No Progress'

OW0806113890 Tokyo KYODO in English 0945 GMT 8 Jun 90

[Text] Tokyo, June 8 KYODO—The head of the U.S. Semiconductor Industry Association (SIA) said Friday some bilateral pact will be needed when the existing Japan-U.S. semiconductor trade agreement expires in July next year. SIA Chairman Wilfred J. Corrigan made the comment in an interview with KYODO NEWS SERVICE after the SIA and its Japanese counterpart, the Electronics Industries Association of Japan (EIAJ), held talks on increasing the foreign share in Japan's chip market.

The bilateral agreement was signed in 1986 after a dispute over U.S. access to Japan's chip market. Under the accord, Japan pledged to stop selling chips in the United States at unfairly low prices and reportedly agreed to a goal of 20 percent of the Japanese market for foreign semiconductors by July 1991.

The foreign share has been a thorny issue between the two countries as the EIAJ has called the 20 percent target "a nonbinding target," while the SIA has said it was a guarantee by Japan. Officials from the industry groups reported no progress in resolving the dispute at their latest meeting.

The foreign share in Japan's chip market has been growing steadily since the 1986 pact, reflecting a series of measures taken by the Japanese to boost imports of foreign semiconductor products. But there are two separate figures on the foreign share, leaving the SIA and the EIAJ sharply divided over the extent of the U.S. presence in Japan.

According to statistics from the Ministry of International Trade and Industry (MITI), the foreign share stood at 17.2 percent for the first quarter of 1990, but it was given as 13.0 percent in data from World Semiconductor Trade Statistics Inc., a trade statistics reporting program in which major world chip suppliers take part.

Corrigan criticized the EIAJ for sticking to the MITI statistics, and urged the Japanese to achieve the 20 percent target. Describing the 20 percent target as the minimum one, Corrigan noted that he thinks a target of 30 percent should have been set. But Corrigan applauded efforts by the Japanese to boost purchases of foreign semiconductor products, saying that the Japanese market is moving in a desirable direction.

Houston Summit May Discuss Soviet Economy Aid

OW1206114690 Tokyo KYODO in English 1112 GMT 12 Jun 90

[Text] Tokyo, June 12 KYODO—Leaders of Japan and six major Western nations are likely to discuss how to support the Soviet economy when they meet in Houston, Texas, July 9-11, a Japanese Government source said Tuesday.

The source said some measures to stabilize the shaky Soviet economy are expected to appear in the communique issued at the end of the summit meeting because of a Western consensus that a collapse of the Soviet economy could destabilize the East European nations which are now trying to change their economies to market-oriented ones.

The consensus emerged from two days of talks among Western economic ministers in Paris last month at the Organization for Economic Cooperation and Development (OECD) for fear that failure of President Mikhail Gorbachev's economic reform could spell deep troubles for the seven industrial democracies themselves.

But the source said the Western strategy is likely to focus on providing the Soviet Union with [software] such as ways to work out industrial policies and to compile statistics, tools needed to run a market economy.

Japan, for its part, appears hesitant to go ahead with any financial package to help the Soviet economy because of a bilateral territorial dispute over four Soviet-held islands off northeastern Japan. The so-called northern territories issue has been a major stumbling block to improving Russo-Japanese relations since the end of World War II, keeping Tokyo from committing itself deeply to economic support to Moscow.

The territorial squabble could also keep Japan from moving in step with its six other group of seven partners at the present juncture. How far Japan will go along with the Western allies at the summit meeting in drawing up ways to salvage the Soviet economy appears contingent on Soviet action on the territorial issue.

"It's difficult for Japan to pledge itself to specific measures of support to the Soviets at the summit meeting," the source said. But the source added, "However, it wouldn't be good for only Japan to miss the bus."

Comment on Recall of DPRK Envoy to USSR

OW1206140690 Tokyo KYODO in English 1351 GMT 12 Jun 90

[Text] Tokyo, June 12 KYODO—A senior Foreign Ministry official on Tuesday questioned the credibility of a recent report that the Soviet Union has cut off oil supplies to North Korea, but said reports that the North Korean ambassador to Moscow has been recalled are "most likely" true. The official, speaking on condition of anonymity, said a South Korean television report last Saturday of a cutoff of Soviet oil to Pyongyang most likely has "no foundation."

"The Soviet side is really careful not to hurt their relationship with North Korea," the official noted. The official suggested as a point of reference the nonconfrontational attitude taken by the Soviets in talks with Pyongyang over a recent incident in which North Koreans were captured poaching fish in Soviet waters.

North Korea is largely dependent on the Soviet Union for its oil needs.

Last Saturday, Soviet Deputy Foreign Minister Igor Rogachev hinted at economic friction between the two neighboring countries in a meeting with Foreign Ministry officials in Tokyo. Rogachev said North Korea is experiencing severe economic strains and the flow of goods from that country to the Soviet Union has not been proceeding according to plan.

On reports that the North Korean ambassador to Moscow has been recalled to Pyongyang, the Japanese official said Japan has found "that seems to be the case." The North Korean envoy's recall is believed to be related to Soviet President Mikhail Gorbachev's decision to meet last week with South Korean President No Tae-u. Japanese officials have been expressing concern over how North Korea will react amid the encroaching transformations in the global geopolitical picture.

Elections in Czechoslovakia, Bulgaria Welcomed

OW1206112190 Tokyo KYODO in English 1102 GMT 12 Jun 90

[Text] Tokyo, June 12 KYODO—Japan welcomes the holding of free elections in the reformist East European countries of Bulgaria and Czechoslovakia, Foreign Ministry Spokesman Taizo Watanabe said Tuesday. "We welcome the fact that in both countries a free election was held for the first time in the last forty years or so in a democratic and peaceful manner," Watanabe said in a meeting with foreign correspondents.

"It is our hope that a stabilized government will be established based on the selection of the people so that further reform of those countries would be promoted," he said.

Bulgarians, voting on Sunday in their country's first free elections in 58 years, appear from the latest projections to have given the former Communist Party a new lease on life.

Czechoslovakians, meanwhile, voting on Friday and Saturday in the first free election in 44 years, opted to break the communists' grip on power.

Japan has been increasing its interest in East European events in view of the effect that reforms there have on overall East-West relations involving Japan, Foreign Ministry officials said.

Sihanouk's 'Dim Assessment' of Talks Downplayed

OW1206145390 Tokyo KYODO in English 1433 GMT 12 Jun 90

[Text] Tokyo, June 12 KYODO—A Foreign Ministry spokesman on Tuesday downplayed Cambodian resistance leader Prince Norodom Sihanouk's unflattering assessment in Beijing of recent Cambodian peace talks hosted by Japan as but another example of the mercurial figure's famed political maneuvering.

"I know that Prince Sihanouk has also made a statement before that he would not come to Tokyo—in Beijing," spokesman Taizo Watanabe said in a meeting with foreign correspondents. "So that is a point of reference ...Something that we need to take into consideration in making an assessment of that statement," Watanabe said.

The spokesman was referring to Chinese media reports that Sihanouk labeled the June 4-5 Tokyo meeting on Cambodia as a "failure" due to the nonparticipation of the militarily-strong Khmer Rouge guerrilla faction. Sihanouk's dim assessment appeared to contradict his remarks in Tokyo at the end of talks with Phnom Penh government leader Hun Sen that the meeting had been a "50-percent success."

Foreign Ministry officials made similar allusions to Sihanouk's mercurial personality last month when he abruptly resigned his position as leader of the resistance coalition just as Japan was making fervent diplomatic efforts to pull off the Cambodian talks in Tokyo. As expected, however, Sihanouk later revoked his announcement of his "retirement from politics" and decided to attend the Tokyo conference.

Ministry Urges Israel To Exercise 'Flexibility'

OW1206131290 Tokyo KYODO in English 1216 GMT 12 Jun 90

[Text] Tokyo, June 12 KYODO—A Foreign Ministry spokesman on Tuesday urged the newly-formed hardline cabinet of Israeli Prime Minister Yitzhaq Shamir to exercise "flexibility" so the "stagnating" peace process in the Middle East can be revitalized. "Japan strongly hopes that the new government will cope with problems related to Middle Eastern peace with a flexible attitude," said Spokesman Taizo Watanabe in a meeting with foreign correspondents.

He said Japan, in particular, wants to see dialogue between the Israelis and Palestinians. Watanabe also said he hopes Israel will "take a flexible position" toward the treatment of Palestinians in the occupied West Bank and Gaza Strip and toward its settlement there of Soviet Jewish immigrants.

The formation on Monday of the most hardline government in Israel's history brought to conclusion a three-month-long political crisis, but cast a dark shadow over the Middle East peace process.

Watanabe's remarks of "concern" in connection with the formation of the new Israeli Government contrasted sharply with his other announcements of the day, in which he "welcomed" the elections in Bulgaria, Czechoslovakia, and Peru.

Japan has full-fledged diplomatic relations with Israel, but follows a policy line supportive of the Palestinian Liberation Organization (PLO), which maintains a "permanent general mission of Palestine" in Tokyo.

Last month, the Foreign Ministry summoned the Israeli ambassador to register Japan's concern over Israel's treatment of Palestinians in the occupied territories and to urge "self-restraint," ministry sources said. The summons followed a protest lodged with the Japanese Government by a League of Arab diplomatic missions in Tokyo.

The diplomats were said to be disconcerted over what they considered to be a watered-down message on the subject, which had been issued earlier by the Foreign Ministry spokesman.

Egypt's Ghali Urges UN Role in Middle East

OW1206104690 Tokyo KYODO in English 1005 GMT 12 Jun 90

[Text] Tokyo, June 12 KYODO—Egyptian State Minister for Foreign Affairs Butrus Ghali called on the United Nations Tuesday to help solve the Middle East crisis, especially tensions involving Palestinians.

Ghali at the same time said Japan could contribute more actively in the Middle East peace process through its presence in the U.N., its relations with the United States, the Soviet Union, and the European Community.

Although he received no commitment from the Japanese Government, he said there were "very positive answers." Ghali, who is visiting Japan from June 6-14 as a guest of Foreign Ministry, met with Foreign Minister Taro Nakayama and Prime Minister Toshiki Kaifu on Monday.

Ghali said the U.N. should feel a "certain responsibility" to solve the problem because, he said, "We believe the Middle East crisis ..... The State of Israel was created by the U.N. Without the participation of the great powers, which are playing an important role in the U.N., we will not be able to find a peaceful solution to the problem, Ghali told reporters at the Japan National Press Club.

Ghali said the immigration of Soviet Jews to the "occupied territories of Golan, Lebanon, the West Bank and Gaza" was the "real obstacle to any new peace process," and called for a U.N. role in that area. The occupied territories have been the site of violent clashes between the Palestinians and the Israelis. The U.S. last month vetoed, 14-1, a U.N. Security Council vote that called for a fact-finding mission to report on Israeli abuses in the occupied West Bank and Gaza Strip.

Ghali denied speculation that the creation of the new hardline government in Israel under Prime Minister Yitzhaq Shamir would have a negative impact on peace negotiations between Israel and Egypt. "Our policy is to negotiate with who will be in power," Ghali said. "We believe in negotiation, we believe in the peace process."

Ghali stressed that Egypt also is making efforts to promote peace talks with Israel, through contacts with political parties in Israel that support the peace process and overseas Jewish organizations.

Watanabe Discusses Future Aid to Peru

OW1206123090 Tokyo KYODO in English 1059 GMT 12 Jun 90

[Text] Tokyo, June 12 KYODO—A Foreign Ministry spokesman on Tuesday said Peru may again become the "number one recipient" of Japanese aid in Latin America if the upcoming administration to be formed by President-elect Alberto Fujimori tackles that country's knotty domestic problems and honors its debt repayment obligations. Spokesman Taizo Watanabe also said that Fujimori, the first ethnic Japanese ever to become a head of state outside of Japan itself, is welcome to visit Japan "within the month" in line with his recently expressed wish to make such a trip.

Watanabe said that Peru, which was the fourth-largest recipient of Japanese aid among Latin American countries by 1988 figures, could conceivably return to the first-place position it lost when it began suspending debt repayments back in 1984.

"It is our position that when we learn of the concrete policies of the next government, we would like to continue to examine what kind of cooperation is possible for us to extend to that country," Watanabe said.

The spokesman's remarks came amid widespread expectations among the Peruvian populace that Fujimori's win in Sunday's presidential elections will bring a windfall in Japanese economic and technological assistance. Watanabe said, however, that any decision to boost Japan's aid to Peru would not be by virtue of the new president's Japanese ethnic background.

"It all depends on what (the new government) tells us about (Peru's) problems and their intention of coping with those problems," he said, noting that Fujimori's visit to Japan could represent such an occasion.

Watanabe noted that Japan terminated its yen credits to Peru in 1988 following that country's default on repayments of interest on past loans. But he said the problem can be worked through. "Even if there is any default, if there is a willingness to overcome those problems and explain to us in a concrete manner what (steps) they are going to take ...There is always a possibility of resuming aid," the spokesman said.

He also said the Fujimori administration must also make "utmost efforts" to achieve a "stabilized government" and to solve such pressing national problems as rampant inflation, social instability, and terrorism.

"We have a very strict standard of giving aid," Watanabe explained. Japan's aid policy, he said, is based in part on the recipient country's willingness to maximize the effectiveness of whatever resources are to be extended. Another factor, he said, is the recipient nation's determination to cope with its economic conditions by itself.

Watanabe said the Japanese Government "extends heartfelt congratulations" to Fujimori on his electoral victory, which he said had caused "excitement" in Japan, especially in Fujimori's ancestral home in Kumamoto Prefecture on the southern island of Kyushu.

"As far as the position of the government is concerned, the relations between our two countries are something based on the national interests of both countries," Watanabe said, adding that they have long enjoyed friendly relations.

KYODO Reports on Direct Investment Abroad

OW0206034990 Tokyo KYODO in English 0224 GMT 2 Jun 90

[Text] Tokyo, June 2 KYODO—Direct investment abroad by Japanese businesses soared 43.6 percent to a record annual high of 67.54 billion dollars in fiscal 1989, ended March 31, 1990, according to the Finance Ministry.

The surge reflected a rush of Japanese acquisitions of overseas companies and of real estate, aided by the higher yen, and a steep rise in plant investment in Europe ahead of the 1992 market integration of the European Community (EC), ministry officials said.

North America attracted 33.90 billion dollars in Japanese investment in fiscal 1989, up 47.5 percent, accounting for 50.2 percent of the total. Europe ranked second at 14.81 billion dollars (up 19.4 percent) or a 21.9 percent share, and Asia third at 8.24 billion dollars (up 47.9 percent) or a 12.2 percent share.

Investment in financial businesses accounted for the largest portion, 15.40 billion dollars or 22.8 percent. The value represented a 17.5 percent increase. Investment in real estate shot up 63.7 percent to 14.14 billion dollars or 20.9 percent. These and other nonmanufacturing industries accounted for about three quarters of the total, and the manufacturing sector the rest.

The ministry also said direct investment in Japan by foreign firms fell 11.9 percent to 2.86 billion dollars in fiscal 1989.

Cabinet Reportedly Alarmed at Low Birthrate

OW1206092390 Tokyo KYODO in English 0849 GMT 12 Jun 90

[Text] Tokyo, June 12 KYODO—Finance Minister Ryutaro Hashimoto suggested Tuesday that the trend for Japanese women to obtain higher education is responsible for the nation's sagging birthrate, officials said.

Alarmed at reports that Japan's birthrate has hit an all-time low of 1.57 children per woman in 1989, the cabinet Tuesday discussed ways to encourage women to bear more children, officials said. The rate was down from 1.66 babies per woman in 1988. During the discussion, Hashimoto suggested the falling birthrate is "affected by the trend for women to be highly educated," a cabinet source told reporters.

Hashimoto was quoted as suggesting that the government alter its policy of enabling all students who so desire to pursue higher education so that Japan will not suffer shortages in the labor force. "Another possibility is to have students work while they study," he was quoted as saying at the day's cabinet meeting.

Chief Cabinet Secretary Misoji Sakamoto told a news conference that the government is hoping to reverse the sharp decline in birthrate because otherwise the welfare burden for Japan's aging society will be difficult to manage. Asked if the government intended to return to the pre-war policy of encouraging women to "give birth and multiply," the top government spokesman replied: "It isn't such an easy matter to get Japanese women to bear children for us."

The percentage of women high school graduates enrolling in two-year and four-year colleges has more than doubled over the past two decades from 18.2 percent in 1970 to 37.1 percent in 1987. Education Minister Kosuke Hori suggested that the issue of declining birthrates be addressed in life-long education programs.

Health and Welfare Minister Yuji Tsushima told reporters that his agency plans to establish an advisory group to examine the issue. "We consider women's views important," he added.

Top brass of the Ruling Liberal Democratic Party (LDP) later in the day suggested reviewing laws regulating sales of birth control devices. Japan has restrictions on sale of the birth control pill, but condoms are readily available in vending machines in some urban areas.

Possible countermeasures discussed by the LDP leadership included increasing government subsidies for parents with more than one child, increasing pensions for homemakers, and offering bigger pensions to women who bear more children.

Currently families with two children are eligible to receive 2,500 yen per month until the second child is 6 years old. Families are eligible to receive 5,000 yen for the third child and each additional child.

Corporations 'Largely Bullish' Over Near-Term

OW1206085290 Tokyo KYODO in English 0828 GMT 12 Jun 90

[Text] Tokyo, June 12 KYODO—Major Japanese corporations remain largely bullish over near-term business prospects, regardless of the turbulence in Japan's financial markets since the start of this year, the Bank of Japan (BOJ) said Tuesday. The central bank said its latest quarterly survey, taken in May, showed that a big majority of manufacturers polled expect their robust business performance to continue at least through the first half of fiscal 1990 ending next March 31.

The business confidence index for major manufacturing firms stood at 48 on the optimistic side, or four points lower than 52 in the previous survey in February. The figure is the difference between the percentage of bullish and bearish replies of those polled.

The short-term economic survey showed a peak 55-point difference on the positive side in the index for manufacturers in May and August last year.

The findings are based on the central bank's survey of 7,501 firms, including 691 major companies—396 manufacturers and 295 nonmanufacturing concerns.

The latest poll, however, found a greater number of business operators now than in the February survey feeling uneasiness about the future of the economy. The survey clearly suggested the strength of business optimism has been somewhat eroded compared with the preceding quarterly poll, which had indicated the business condition of major Japanese firms was extremely bullish.

A central bank official said the survey did show a greater number of Japanese businesses, including small- to medium-sized firms, still see their business conditions as favorable.

Central bank economists described the present state of Japan's economy as "remaining in the matured phase or being pegged at a high plateau." They noted that this is particularly noticeable in industries producing basic materials such as chemicals and steel.

The report indicated Japanese firms had been affected "only mildly" by the plunges in the stock and bond markets as well as the fall in the yen's value against the U.S. dollar since the beginning of this year, the BOJ official said. He also dismissed the view that the country's economy is nearing a turning point, but added his view that the rate of economic growth might have been "moderating" in the April-June period compared with the preceding three months.

Summarizing the survey, a high-ranking central bank official ruled out the possibility that the Japanese economy may face a rapid slowdown in the near future. The official said the survey reconfirmed the strength of the economy for the short-term, as it is continuously drawing impetus from brisk personal consumption and corporate capital investment.

Emphasizing the need to keep a careful eye on domestic price trends, he said the figures in the latest poll do not support the view that the risks of triggering high inflation in Japan are successfully kept under control.

The report revealed that one of the pressing concerns of firms surveyed was a further deterioration in the labor shortage in the months ahead, in both the manufacturing and nonmanufacturing sectors.

Although the May figure showed the acute sense of a labor shortage has somewhat lessened from the last poll, the forecast shows the shortage is likely to worsen again in the months ahead as companies' massive recruitment of fresh college graduates has been completed.

On the outlook for the balance of supply and demand in products, the central bank said companies feel that a shortage of supply is likely to continue in the coming months.

Under these circumstances, purchase prices showed an upturn in the May survey, reversing a long-standing decline, and the statistics also indicate such a rise will likely continue at least during the first half of this fiscal year. Under pressure from a weaker yen, rising material prices abroad, including crude oil, and a surge in wage hikes, product prices also are on a sharp rising curve, the report said.

The report also revealed an increasing number of companies now feel that financial institutions have further tightened their lending attitude, largely because of the Bank of Japan's tight monetary policy since the middle of last year. Their perceptions of easier corporate financing have also been gradually subsiding, the report indicated.

Mongolia

G. Ochirbat Meets With Mass Media Executives

OW1006125590 Ulaanbaatar International Service in English 0910 GMT 2 Jun 90

[Text] Chairman of the Mongolian People's Revolutionary Party Central Committee Ochirbat has met with executives of central press and mass media organizations. He has defined the present foremost task of mass media organizations as to truly expand the process of modern and new material ideology and contribute to the consolidation of the national unity. The party leader has pointed to the need of renewing the mass media organizations in accordance with the rapidly changing political life of the country.

The mass media executives exchanged the views on (?pressing) and strengthening the material and technical basis of mass media and of production and [words indistinct].

Government Publishes Socioeconomic Renewal Plan

OW1006141490 Ulaanbaatar International Service in English 0910 GMT 10 May 90

[Text] The Mongolain Government has worked out and published in press its socioeconomic renewal program. The main aim of the renewal is to increase the real per-capita income of the population by not less than 20 percent, increasing by 30 percent in rural areas, says the program.

Raising of the efficiency of social production on the basis of progressive technology, rational utilization of natural resources, transition over to market economy, perfection of production relations, the system of domestic and foreign prices, and foreign economic ties are the main trends of this national program. Particular attention in economic policy is attached to the intensification of social factor.

Economists Suggest Market Economy for Mongolia

OW1006104690 Ulaanbaatar International Service in English 0910 GMT 7 Jun 90

[Text] A group of Mongolian economists has suggested a new conception of getting Mongolian economy out of the critical situation; that is, switch from overcentralized planning and distribution over to market economy which would lean upon the latest achievements of the scientific-technological progress, foremost experience of the world economic management, and with a due account of the country's specifics.

According to the conception, role of the state in market economic relations is considered to be an improving [as heard] the balance of public reproduction, eliminating the negative consequences of market relations, and an assurance of normal life of the population.

Parties Hold Talk on Pre-Election Campaign

OW1106195390 Ulaanbaatar MONTSAME in English 1729 GMT 11 Jun 90

[Text] Ulaanbaatar, 11 Jun (MONTSAME)—New political parties of Mongolia-the Mongolian Democratic Party (M.D.P), the Social-Democratic Party (S.-D.P.), the Party of National Progress (P.N.P.), the Party of Free Labour (P.F.L.), and the Green Party (G.P.) organized a free discussion of the course of the pre-election campaign at the Ulaanbaatar Square.

The leaders of the political [as received] elucidiated their positions on some provisions of the law on elections, adopted 3 (three) months ago. The forthcoming elections of deputies to people's hurals of all stages slated for 29 rpt 29 july 1990 rpt 1990 should be held in accordance with the law which should provide them with democratic right.

Exchange of views on the course of the pre-election campaign was held between those Ulaanbaatarites who came there and the leaders of the new political parties forming the Coalition of Democratic Forces (C.D.F.). the leaders of the political parties answered the questions put by the people in a form of direct dialogue. The representative of the M.P.R.P., invited by the coalition to take part in the discussion, refused motivating that this action is by its essence a non-sactioned rally.

Explaining their position as far as the 24th rpt 24th provision of the law on elections is concerned, the representatives of the new political parties read out the statement of the coalition on this issue, with which they have addressed the Presidium of the M.P.R. People's Great Hural. The statement contains a concrete proposal, which realization, according to the coalition, will held to avoid lthe violation of democratic norms of expressing the will by the people. (The 24 rpt 24th provision of the law deals with the issue of forming the groups of representative electors at the stage of completion of nominating deputies). The coalition proposes to arrange without representative electors.

Trade Unions Hold Extraordinary Congress

OW0806055090 Ulaanbaatar MONTSAME in English 1708 GMT 7 Jun 90

[Text] Ulaanbaatar, 7 Jun (OANA-MONTSAME)—The Extraordinary 16 rpt 16th Congress of Mongolian Trade Unions (M.T.U.), started its work in the Mongolian capital, discusses urgent problems of renewing T.U. [trade union] activities. [sentence as received]

In his report "On the Tasks of Renewing the Mongolian Trade Unions", S. Batbayar, chairman of the M.T.U. Central Council, emphasized the imperative need of qualitative renovation of Mongolian Trade Unions (M.T.U.), formed at the end of the 1920 rpt 1920s, proceeding from the tasks of restructuring and renewal underway in all spheres in all spheres of public life of Mongolia.

The time demands to make the struggle for defending the legitimate rights of the working people in the foreground as it is the sacred duty of Mongolian trade unions (M.T.U.). This can be considered as the important recognition of the modern T.U. movement in the M.P.R. [Mongolian People's Republic], the speaker said.

S. Batbayar pointed out that the successful fulfilment of its defending functions by T.U. organizations will mainly depend on their abilities for independent work. This is one of important directions of renewing Mongolian tade unions (M.T.U.).

The M.T.U. will pay great attention to expanding and deepenig cooperation with T.U. centres of foreign countries, in particular to actively developing its ties with keen organizations of Asian and Pacific countries, the speaker underscored.

We, S. Batbayar noted, also consider it expedient to actively participate further in universal struggle for peace, democracy and social progress and expand international relations with international T.U. organizations who are consistently working for defending the vital interests of the working people. The congress continues its work.

Congress Discusses Renewal

OW0906053290 Ulaanbaatar MONTSAME in Russian 1835 GMT 7 Jun 90

[Text] Ulaanbaatar, 7 Jun (MONTSAME)—Extensive debates on questions of renewing the Mongolian Trade Unions are going on at the extraordinary congress of Mongolian Trade Unions, which is underway here.

The speeches by congress participants stress that the renewal of trade unions in an organizational way does not mean simply a change in the leadership and apparatus. It means primarily a fundamental renewal of the Mongolian trade unions' regulations, which were drawn up under the influence of the old concept of socialism and stagnant ideas, and the eadoption of a platform outlining the directions and trends of the trade union movement.

Congress delegates consider that the method of work of trade union organizations must be based on the opinions and proposals of the broad masses and members of Mongolian trade unions. They stress the importance of ensuring active and independent activities of primary trade union organizations in defending the interests and rights of laboring people and raising the responsibility of elected trade union officials.

Extensive discussion is also underway at the congress of the draft platform and regulations of the Mongolian Trade Unions.

P. Ochirbat, chairman of the MPR People's Great Hural Presidium addressed the congress participants.

P. Ochirbat Addresses Congress

OW0806054990 Ulaanbaatar MONTSAME in English 1735 GMT 7 Jun 90

[Text] Ulaanbaatar, 7 Jun (OANA-MONTSAME)—Addressing today the extraordinary congress of Mongolian trade unions [TU] which is continuing its work for the second day Punsalmaagiyn Ochirbat, chairman of the Presidium of the MPR [Mongolian People's Republic] People's Great Hural, underscored the need of creating a reliable mechanism which would turn the TU initiatives and proposals into practical realization.

Concerning the issue of renewing the Mongolian trade unions (MTU), P. Ochirbat paid attention to the elaboration of a clear-cut and theoretically well-substantiated conception in this direction.

The Mongolian state leader said that in the process of renovation great attention is to be paid to reducing the multi-stage activity in TU organization of the country. In this connection he called on to [as received] concentrate on the organizational structure of new socio-political formations, which work more actively without the cumbersome management apparatus leaning upon the initiative of its members.

P. Ochirbat qualified the Mongolian trade unions as the part and parcel of the new political system being created in the country. All questions related to mutual relations between the state and trade unions should be undoubtedly solved within the framework of the law, he said. In this connection P. Ochirbat informed the delegates that the draft law on trade unions is being now under the consideration of state bodies. It is expected to be discussed by the new parliament, which will be formed at the forthcoming elections, he noted.

Further on P. Ochirbat's Remarks

OW1006100890 Ulaanbaatar International Service in English 0910 GMT 9 Jun 90

[Text] An extraordinary 14th [as heard] congress of the Mongolian Trade Union has completed its work. The Mongolin Trade Union has been renamed as the Federation of the Mongolian Trade Union and there was approved its platform and rules.

Speaking at the congress, Chairman of the Presidium of the People's Great Hural of Mongolia Punsalmaagiyn Ochirbat called on the trade union to shoulder the settlement of basic part of social problems of working people and to become an organic and constitutent part of the new political system of Mongolia.

Concerning the ongoing preelection campaign in Mongolia, Ochirbat did not support the idea of holding elections under the supervision of foreign observers, which was proposed by democratic forces of Mongolia. We have no time and no means for inviting them, said

Ochirbat. He stressed that ongoing reconstruction and renewal process is entirely domestic affair and we must deal with it on our own.

North Korea

Finnish Delegation Denounces 'U.S. Imperialists'

SK1106055390 Pyongyang KCNA in English 0508 GMT 11 Jun 90

[Text] Pyongyang June 11 (KCNA)—A Finnish solidarity delegation for the study of the chuche idea headed by Pekka Rantala, chairman of the Finnish national committee for the study of the chuche idea, visited Panmunjom Saturday and made public a statement.

The statement bitterly denounced the U.S. imperialists who provoked the war in Korea and are still obstructing the reunification of Korea. It said:

The U.S. imperialists and the South Korean puppet clique are scheming to keep the Korean people divided forever by building even the concrete wall.

This is a grave challenge to the Korean people's desire for peaceful reunification.

The Korean people are demanding the withdrawal of U.S. forces from South Korea and making all sincere efforts to achieve the reunification of the country in a peaceful way.

The great President Kim Il-song in his policy speech addressed to the First Session of the Ninth Supreme People's Assembly put forward a new five-point policy of national reunification for easing the tension on the Korean peninsula and creating a peaceful climate for national reunification, pulling down the barrier of division and achieving free travel and complete opening between the North and the South, for the North and the South to develop foreign relations on the principle of creating a favourable international climate for the self-determined, peaceful reunification of the country and for developing the dialogue for national reunification and forming a nationwide united front for national reunification.

Considering this proposal to be a most just one for reunification which correctly reflects the reality of Korea and the present world situation, we express full support to it.

The great President also took a step of unilaterally reducing the Armed Forces by 100,000 men and sending 150,000 soldiers to peaceful construction in the DPRK.

The United States must withdraw its Armed Forces from South Korea in keeping with the trends of the present era toward peace and detente, and the South Korean authorities respond to the demand of the North side to tear down the concrete wall at once and ensure free travel and full-scale open door between the North and the South and have a sincere attitude toward dialogue for reunification.

We will in the future lift louder voices of solidarity for the reunification of Korea.

U.S. Withdrawal From Base in Libya Marked

Kim Il-song Greets Al-Qadhdhafi

SK1006084990 Pyongyang KCNA in English 0842 GMT 10 Jun 90

[Text] Pyongyang June 10 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent today a message of greetings to Mu'ammar al-Qadhdhafi, leader of the great September First Revolution of the great Socialist People's Libyan Arab Jamahiriyah, on the occasion of the 20th anniversary of the vacation of the U.S. military base from Libya.

The vacation of the U.S. military base from Libya was a manifestation of steadfast will of the Libyan Arab people to defend the great September 1 revolution and to build an independent and prosperous new society, the message says.

It stresses that the Korean people extend firm solidarity to the Libyan Arab people in their just struggle to resolutely repulse the continuous acts of aggression and intervention by the United States and safeguard the country's sovereignty and the national dignity.

The message expresses the conviction that the friendly and cooperative relations between the two peoples will further strengthen and develop in the future.

Article Views Withdrawal

SK1106104090 Pyongyang KCNA in English 1031 GMT 11 Jun 90

["For Victory of Just Cause"—KCNA headline]

[Text] Pyongyang June 11 (KCNA)—NODONG SINMUN today dedicates a signed article to the 20th anniversary of the vacation of the U.S. military base from Libya in June 1970.

The article says:

After the victory of the September first revolution the Libyan Arab people got the U.S. military base dismantled and the U.S. aggression troops withdrawn from Libya. It was another important event in history of the Libyan Arab people.

The vacation of the U.S. military base from Libya was a great encouragement to the African peoples including Arab nations aspiring after chajusong and a telling blow to the U.S. imperialists.

The Libyan Arab people are striving for independence, social progress and the building of a new life.

They are waging a struggle to smash all sorts of anti-Libya plots of the imperialists at every step, defend the sovereignty of the country and build a new just and equal society under the leadership of the leader of the great September First Revolution His Excellency Mu'ammar al-Qadhdhafi. The Korean people fully support the struggle of the Libyan Arab people against the U.S. imperialists and the Israeli zionists and for the dignity and interests of the Arab nations and for the independent development and prosperity of the country.

The just cause of the Libyan Arab people is sure to bear fine fruition.

Soviet Interviewed on 'Cross-Recognition'

*SK1206051090 Seoul Domestic Service in Korean
0200 GMT 12 Jun 90*

[Text] Tokyo, YONHAP—Sarkisov, director of the Institute of Oriental Studies under the Soviet Academy of Sciences in charge of Japanese affairs, today said that North Korea will have no choice but to accept cross-recognition in light of various aspects of recent circumstances.

Speaking in an interview with NIKKEI SHIMBUN, Director Sarkisov said that North Korea, because of its position emphasizing tripartite talks between the North, South, and the United States, seems to be deliberately limiting its efforts to improve relations with Japan for fear that it could lead to cross-recognition.

Director Sarkisov noted: The only practical way of settling the question of the Korean peninsula, however, is for the four countries concerned—that is, the United States, Japan, China, and the Soviet Union—to establish diplomatic relations with the North and South respectively so that both states are recognized in the international community.

Director Sarkisov added: The Soviet Union is now waiting to see North Korea's attitude toward the establishment of ROK-USSR diplomatic relations, and a date for the establishment of relations will be set only after it is believed that the establishment of diplomatic ties will not cause uneasiness on the Korean peninsula.

Disarmament Proposal Distributed to UN Body

*SK1206045690 Pyongyang KCNA in English
0452 GMT 12 Jun 90*

[Text] Pyongyang June 12 (KCNA)—The disarmament proposal for peace on the Korean peninsual clarified at the joint meeting of the Central People's Committee, the Standing Committee of the Supreme People's Assembly and the Administration Council of the Democratic People's Republic of Korea which was held in Pyongyang on May 31 was distributed as official document S-21343 of the Security Council of the United Nations on June 5.

Kim Tal-hyon Fetes Philippine Delegation

*SK0906224490 Pyongyang KCNA in English
2209 GMT 9 Jun 90*

[Text] Pyongyang June 9 (KCNA)—The Administration Council of the DPRK gave a reception today for the Philippine parliamentary delegation.

Invited there were the members of the delegation headed by Jose de Venecia, Chairman of the Committee on Foreign Affairs of the parliament and chairman of the Sub-Committee on Monetary and Credit Policy.

Present there were Vice-Premier Kim Tal-hyon, vice-chairman of the Standing Committee of the Supreme People's Assembly, Yo Yon-ku, Chairman of the Committee for the Promotion of International Trade Yi Song-nok and other officials concerned.

Toasts were exchanged at the reception.

Meets With Delegation

*SK0906224190 Pyongyang KCNA in English
2212 GMT 9 Jun 90*

[Text] Pyongyang June 9 (KCNA)—Vice-premier Kim Tal-hyon today met and had a friendly talk with the visiting Philippine parliamentary delegation headed by Jose de Venecia, chairman of the Committee on Foreign Affairs of the parliament and Chairman of the Sub-Committee on Monetary and Credit Policy.

On hand was Yi Song-nok, chairman of the Committee for the Promotion of International Trade and deputy to the Supreme People's Assembly.

Dailies Commemorate Anti-Japanese Demonstration

*SK1006084590 Pyongyang KCNA in English
0834 GMT 10 Jun 90*

[Text] Pyongyang June 10 (KCNA)—Papers here today devote signed articles to the 64th anniversary of the anti-Japanese June 10 demonstration.

The demonstration was a massive anti-Japanese patriotic struggle of the Korean people to retake the national sovereignty and achieve the independence of the country from the heinous colonial rule of the Japanese imperialists in Korea.

Though 64 years have passed since the anti-Japanese June 10 demonstration, the Korean people's desire to live in an independent and sovereign state free from the outside forces, has not yet been realized on a nationwide scale, NODONG SINMUN says, and goes on:

The southern part of our country is still under the U.S. imperialists' military occupation and the South Korean people have not been freed from colonial slavery in the absence of national sovereignty.

The root cause of all misfortunes and sufferings of the South Korean people is none other than the U.S. imperialist aggressors.

The U.S. imperialists are hell bent on the "two Koreas" plot and staging war exercises against the North almost every day after stockpiling over 1,000 pieces of nuclear weapons in South Korea, while intensifying their colonial fascist rule over it.

The Japanese reactionaries are more undisguisedly scheming to reinvade South Korea, taking advantage of the "two Koreas" policy of the U.S. imperialists with their wild ambition to realize the old dream of the "greater East Asia coprosperity sphere".

The No Tae-u group is ruthlessly cracking down upon the patriotic and democratic forces for reunification in South Korea, going against the earnest desire of the entire Korean people for reunification and, at the same time, externally intensifying the "two Koreas" plot under the manipulation of the U.S. imperialists.

The facts require heightened vigilance against the aggressive moves of the U.S. imperialists and the Japanese reactionaries and the treacherous acts of the No group and a more vigorous struggle against them.

In order to reunify the country and establish national sovereignty on a nationwide scale, it is imperative, first of all, to terminate the colonial fascist rule by the U.S. imperialists in South Korea and make the South Korean society independent and democratic.

MINJU CHOSON in an article says that the Korean people will surely put an end to the colonial rule of the U.S. imperialists in South Korea, retake national sovereignty on a nationwide scale and achieve the self-determined and peaceful reunification of the country with their united efforts.

Independence, Reunification Urged

SK1006084090 Pyongyang KCNA in English 0824 GMT 10 Jun 90

[Text] Pyongyang June 10 (KCNA)—Papers here today in editorials dedicated to the third anniversary of the heroic June popular resistance of the South Korean people stress that they should vigorously wage an all-people's resistance, holding high the torch of anti-imperialist, anti-fascist struggle for independence and reunification till they see a new world of independence and democratisation free from the foreign forces and the fascist dictatorship and put an end to the tragedy of the division for a new day of reunification.

The June popular resistance in 1987 was a just anti-U.S., anti-fascist popular resistance to liquidate the colonial military dictatorship of the U.S. imperialists and their stooges and achieve the independence, democracy and reunification.

It was the noble will of the June resistance fighters and the unanimous desire of the South Korean people to live in a new world free from outside forces, fascism and division, NODONG SINMUN says, and goes on:

The South Korean people are now standing at the crossroads of whether they should wage a staunch and stubborn struggle to break the iron chains of the colonial military dictatorship and achieve freedom and liberation or they should allow the extension of the military dictatorial "regime" and continue to groan under the fascist bayonet.

The U.S. imperialists are trying to block the independence and democratisation of South Korean society and stamp out the democratic forces for reunification by consolidating the one-party dictatorial system of the anti- national, anti-democratic and anti-reunification "Democratic Liberal Party" and thus tide over the crisis of the shaking colonial rule and put spurs to the permanent bisection of Korea and new war provocation moves.

The No Tae-u group is resorting to fascism and treacheries, division and war provocation moves more viciously with a view to prolonging its dirty remaining days fawning on the foreign forces than the preceding dictators.

South Korea under the colonial fascist rule of U.S. imperialism is a closed, lawless society where all sorts of injustice and fascism are prevailing and bayonet decides everything and it is in the period of political reaction and fascist darkness under the "emergency martial law" whereby the patriotic, democratic forces for reunification have to shed blood under the bayonet of dictators.

It is the only way out for the people under the present situation in South Korea to struggle for independence, democracy and reunification. In order to achieve national liberation and realize democracy and reunification it is imperative to put an end to the colonial rule of U.S. imperialism and liquidate the No Tae-u "regime".

The paper calls upon the South Korean students and people to turn out as one in the struggle to smash the divisive "northern policy" of the splittist forces at home and abroad and their moves for "unilateral entry into the United Nations" at every step, pull down the concrete wall, realize a free travel and full-scale opening between the north and the South and open a favourable phase for national reconciliation, unity and reunification.

MINJU CHOSON says that the South Korean people should liquidate the "Sixth Republic dictatorship" of the traitor No Tae-u, abolish the "National Security Law" and fascist laws and make the flower of democratisation bloom on the grave of the "Democratic Liberal Party," holding higher the banner of the anti-fascist struggle for independence.

Songs From 'Anti-Japanese' Struggle Unearthed

SK1106101890 Pyongyang KCNA in English 1005 GMT 11 Jun 90

[Text] Pyongyang June 11 (KCNA)—Many revolutionary songs which were sung during the anti-Japanese revolutionary struggle (1925-1945) have been unearthed in Korea.

The number of the songs which have been discovered till now by the party history institute of the Central Committee of the Workers' Party of Korea is nearly 100.

Among them are "Song of Korea", "The Flower Girl", "Nostalgia", "The Korean People's Revolutionary Army", "Song of Anti-Japanese War" and many other immortal classic masterpieces which were personally created by the great leader General Kim Il-song in the days of the bloody anti-Japanese war.

There are among them "Star of Korea" created by the young communists toward the end of the 1920s, holding Comrade Kim Il-song in high esteem as the leader of the Korean revolution and "Guerrilla March", "Song of the Revolution" "Song of Death-Defying Battle" and other songs written and composed by anti-Japanese revolutionary fighters.

They include "The Red Flag", "The Hot Blood Boils," "Let Us Go Out and Fight" and other songs which reflected the unshakable faith and indomitable will of the fighters to fight resolutely till victory.

These are excellently revolutionary songs diverse in themes, profound in ideological content, strong in militancy and appeal and popular.

Mun Ik-hwan's Sentence in South Denounced

SK1106215690 Pyongyang KCNA in English 1520 GMT 11 Jun 90

[Statement of the Measure Committee for the Rescue of Rev. Mun Ik-hwan—KCNA headline]

[Text] Pyongyang June 11 (KCNA)—The Measure Committee for the Rescue of Rev. Mun Ik-hwan, an organisation active in the Northern half of Korea, in a statement today charges that the South Korean military fascist clique held a trial on an appeal at the puppet supreme court on June 8 and finally confirmed the jail term of seven years on Rev. Mun Ik-hwan and Yu Won-ho who had visited Pyongyang.

The puppets unilaterally held the trial in the absence of Rev. Mun and Yu under the pretext of "deliberation of laws" and inflicted the long jail term of seven years upon them by invoking the "National Security Law," an anti-reunification evil law.

The confirmation of the same heavy penalties as the original on Rev. Mun and his companion by the fascist clique is a base act merely aimed at harming and ostracizing the reputated messenger of reunification and stifling the reunification movement of the people.

The heavy penalty imposed on Rev. Mun in his old age who has been kept in prison for more than one year, with his health extremely deteriorated, is little different from the death sentence and it is a brutal act to bury him behind bars, the statement says, and continues:

By passing the harsh penalty on the envoys of reunification, the No Tae-u group once again stands stark naked before the world, revealing its true color as a group of avowed traitors who do not want national reconciliation and unity between the North and the South and national reunification but seek only confrontation and permanent division.

It further says:

The No Tae-u group whose days are numbered must be clearly mindful that with the punishment of the envoys of reunification, it will precipitate its own disgraceful destruction.

The South Korean rulers must look straight at the trend of the times, immediately revoke the unjustifiable penalty imposed on Rev. Mun Ik-hwan and his companion, release them unconditionally, abolish the "National Security Law", an anti-reunification law, and step down from the dictatorial power without delay as demanded by the South Korean people.

The Measure Committee for the Rescue of Rev. Mun Ik-hwan will resolutely struggle until the release of Rev. Mun and his companion.

Availing ourselves of this opportunity, we express the belief that all the political parties, organizations and democratic figures and people from all walks of life in South Korea and the progressive political parties, organizations and people across the world will launch a more powerful mass campaign for the rescue of Rev. Mun.

* Kim Chong-il's Leadership, Nomination Lauded

902C0202A Pyongyang NODONG CHONGNYON in Korean 5 Apr 90 p 1

[Editorial:"An Indication of the Belief and Will of Loyalty To Revere and Follow to the End the Dear Leader Comrade Kim Chong-il"]

[Text] With the entire country caught up in a surging atmosphere of greeting the approaching election of deputies to the SPA [Supreme People's Assembly] with political enthusiasm and brilliant labor achievements, electors at the Musan electoral constituency No. 575 met on 4 April to recommend a candidate for deputy to the SPA of the DPRK. With the full support and enthusiastic ovation of all the participants, they highly recommended as candidate for SPA deputy Comrade Kim Chong-il, the dear leader of our party and people.

On hearing the news that the miners and youths of Musan nominated the dear leader Comrade Kim Chong-il as candidate for deputy to the SPA, on the heels of the news that on 1 April the working class and youths of Nagwon had recommended the great leader Marshal Kim Il-song as candidate for deputy to the SPA, the whole country is now pulsing like the sea exuberantly surging with the sun high in the sky and the hearts of our people and youth and are throbbing endlessly with pride and self-confidence, upholding the government of the republic in the homeland of chuche, resplendent with the light of the star and the sun, and holding high the banner of revolution, the banner of socialism.

The upcoming election for SPA deputies is a historic event that has great significance for the strengthening and development of the republic and the political life of our people. This election will open up even brighter prospects for the future of the republic, which is accelerating the completion of the socialist cause, following the leadership of the great leader and the dear comrade leader. So it is that our people and youth are reaffirming their determination to fight more staunchly following the guidance of the comrade leader and enthusiastically applauding the fact that the dear leader Comrade Kim Chong-il has once again been recommended as a deputy to the SPA.

Recommending the dear leader Comrade Kim Chong-il as candidate for deputy to the SPA is an indication of the endless respect and absolute trust our people and youth have in him.

The great leader Comrade Kim Il-song taught as follows:

"With unerring faith that has been hardened through their own living experiences, our people, who have traversed together with the party, the arduous and fruitful course of revolution and construction, endlessly trust and follow our party and are fully entrusting all their destiny to our party."

The beloved leader comrade, who early on solemnly affirmed that he would bring glory to Korea and lead Korea into the future following the intent of the great leader, and who stood in the van of our revolution, has brilliantly embroidered the entire course of revolutionary activities with loyalty and filial piety toward the fatherly leader and devotion to the fatherland, the people, and the revolution, and has chalked up great, immortal accomplishments of the age and the revolution.

The boundless respect and absolute trust of our people and youth toward the dear comrade leader has its wellspring in the great feats the comrade leader has achieved, in addition to his unusual wisdom, outstanding leadership ability, noble virtue, and benevolent character.

The entire course of the dear comrade leader's revolutionary activity is glorified by his unerring faith and will to go on brilliantly inheriting and completing generation after generation the revolutionary cause of chuche, holding high the banner of the immortal chuche thought created by the great leader.

The dear comrade leader has classically formalized the revolutionary thought of the great leader, continuously deepened and developed it, and put forth the ideology and theory concerning transforming the entire society to chuche thought, and unfolded a more boundless and bright future road of the Korean revolution.

The dear comrade leader has firmly consolidated the chuche of our revolution to strengthen our party according to the thought and intent of the beloved and respected leader, and firmly rally all the people about the party and leader and go on complete to the end the revolutionary cause of chuche. And, by consistently implementing the chuche revolutionary line set forth by the leader, he has made the design and intent of the leader blossom brilliantly in our land.

In the whole process of leading the revolution and construction, the dear comrade leader, who has always been deeply concerned about strengthening and developing the revolutionary government, provides revolutionary leadership to enable the government of the republic to give full play to its function and role as a weapon of the revolution to brilliantly achieve the sovereign aspirations and demands of the toiling popular masses by vigorously accelerating the historical cause of transforming the entire society to chuche thought. The dear comrade leader set up the three revolutions—ideology, technology, and culture—as a basic method for achieving the transformation of the entire society to chuche thought. By energetically leading the government of the republic to firmly grasp the three revolutions as the general line of socialist and communist construction and vigorously accelerate the work of remolding all fields of social life according to the demands of chuche thought, he has caused a great historic epic of gigantic creations and reforms to be written in this land.

As we hold high the banner of chuche, the banner of socialism we do waver in the slightest in the face of the vortex of history that holds sway over the fate of the revolution. All of the successes that are being achieved in our brilliant advance in the struggle to achieve an endless upsurge in revolution and construction intensify the struggle for the independent unification of the fatherland, strengthen the international solidarity of our revolution, and enhance our country's prestige abroad. All these achievements shine with the refined leadership exploits of the dear comrade leader.

The fact that our country's young people today are greeting a great golden age and the youth problem in our country is being brilliantly resolved is also the proud fruit of the wise leadership of the dear comrade leader.

The dear comrade leader, who posseses a firm will to complete to the end the revolutionary cause of chuche by faithfully fostering and leading our young people, has energetically and carefully provided leadership so that our country's youth movement can firmly preserve its chuche-oriented and revolutionary character and strengthen and develop as a glorious movement that will go on inheriting and completing generation after generation the revolutionary cause of chuche following the leadership of the party.

Indeed, all of the glory and the majesty of our invincible, mighty party, our endlessly flourishing and prospering fatherland, our people, and our youth cannot be thought of apart from the esteemed name of the dear leader Comrade Kim Chong-il.

Upon learning the moving news that the dear comrade leader had once again been highly recommended as candidate for deputy to the SPA, our people and youth are ardently looking back on the undying achievements and feats chalked up by the comrade leader for the fatherland and the revolution. And they are even more steadfastly confident that when they follow the leadership of the comrade leader they will be assured only victory and glory.

Recommending the dear leader Comrade Kim Chong-il as candidate for deputy to the SPA is a sign of the immovable faith and will of our people and youth to brilliantly inherit and complete the revolutionary cause of chuche, revering the brilliant comrade leader to the end of heaven and earth and following his leadership.

Through living experience, our people and youth are aware deep in their hearts that because the dear comrade leader stands in the van of our revolution, we have our republic, which is endlessly prospering, and our people enjoy a fruitful and happy life, and our fatherland's glory and majesty are glorified.

Revering the dear comrade leader and receiving his refined leadership is an absolute guarantee for our revolutionary victory. The dear comrade leader looks not just to today's revolution with a firm chuche-oriented stand, but far into the future. He puts forth scientific lines and policies to meet the aspirations of the people and the reality of our country and leads the struggle to achieve them along the one road of victory with uncommon strategy and organizational skills, unusual boldness, a will of steel, and the ability to plan and execute bold and daring operations and revolutionary deployments.

The proud, shining exploits achieved in our revolution and construction and the monumental creations for all ages set up everywhere throughout the fatherland impart to us more warmly the greatness of the dear comrade leader as a genius of revolution and construction, an outstanding and refined leader. And it hardens our conviction that when we go forward following the leadership of our party we can effortlessly cross over perilous swamps, burning rivers, and raging seas and fervently follow the one road of endless victory.

To go forward tenaciously along the one road of chuche following the leadership of the dear comrade leader is the firm belief, the unerring will of our people and our youth.

All young people must highly revere the dear comrade leader until the end of heaven and earth and have an even more steadfast belief and will of loyalty to go along the one road of chuche following his leadership.

To do this, we must more deeply understand the immortal achievements the dear leader comrade has established for our age and the revolution while leading our party and the government of the republic and the people, and we must more deeply understand his greatness.

To greet the approaching election for deputies to the SPA with high political consciousness and shining labor achievements is one of the important tasks facing our young people.

All youth must participate, being aware of the importance of the significance of this election in further consolidating our revolutionary government and having high political enthusiasm for the election work.

In addition, they must greet the election for deputies to the SPA with shining labor achievements.

Our party today is demanding that we further heighten the flames of struggle especially to raise epochally the people's livelihood and vigorously launch to the utmost struggles for increased production and conservation in all fields and all units of the people's economy, holding high the new year's address of the great leader and the decisions of the 17th plenum of the sixth central committee.

Holding high the slogan "If the party makes a decision, we will do it!," all young people must further enhance the honor of being the spearhead, the shock brigades of socialist construction, launching more energetically the struggle for increased production and conservation with the spirit and mettle of the period of the great chollima surge in the postwar era.

A bright future lies before our republic, which is going forward revering the great leader and following the leadership of the dear comrade leader.

Let us all go forward more vigorously toward new victories following the banner of the republic, rallied about the dear comrade leader in singleminded solidarity.

* Kim Chong-il Honors Retired Military Officers

902C0203A Pyongyang NODONG SINMUN in Korean 4 Apr 90 p 4

[Article by Han Sun-song: "A Story of Four Retired Military Officers"]

[Excerpts] Comrade Kim Chong-il, a member and secretary of the Standing Committee of the Political Bureau of the party Central Committee, stressed as follows:

"The faithfulness toward the party and the leader must never change."

On 25 March, an award ceremony was held at the Kim Il-song Military University, wherein our beloved Comrade Kim Chong-il's thankful and benevolent present was handed over to four retired military officers who served at the university.

The comrades, who accepted and embraced the beloved Comrade Kim Chong-il's great faith and love, were former Major General of the Korean People's Army Kim Si-kwan, former Senior Colonel Cha To-sim, former Colonel Chu Yong-chun, and former Colonel Han Yong-kuk.

A Hardened Oath Before Fatherland

The hometowns and career paths of these four party members are different but they have one thing in common. It is their oath that was solemnly hardened before the majestic fatherland when they took a stand at the fatherland defense sentry post, and it is a fact that they have lived and will live all their lives constantly under the oath.

At the time of liberation, Comrade Kim Si-kwan was 18 years old. A middle school was established in his hometown and he was admitted to the school. He had a lot of dreams and great hopes. [passage omitted]

It happened in April 1947.

He enlisted in a defense cadre training base. With a heavy sense of responsibility for protecting the party and the leader, and the fatherland and the people, with firearms, Comrade Kim Si-kwan took up a rifle and vividly remembered various incidents of the pre-liberation era that he and others had to suffer because of the loss of fatherland.

He could vividly see the images of his father, who was imprisoned because of his opposition to the Japanese, and his mother, who was driven out of the village because she was considered the wife of an "impure element," and himself, who, at the age of six, was helpless and had no choice but to live off his relatives. Day after day, he sweat in back-breaking youth labor on the inhumane labor fields. During the hottest period of summer, he had to rake the rocky fields so hard with a weeding hoe that the end of his hoe was nearly burnt. He could not forget this hard life of the past. [passage omitted]

Also, the oath was cherished as an unstoppable conviction within the hearts of Comrade Chu Yong-chun, who suffered from all kinds of hardships in a strange foreign land after leaving his beloved hometown for survival during the pre-liberation era, and Comrade Han Yong-kuk, who experienced grief before experiencing happiness while working as a stoker of a locomotive at the young age of 16.

When Comrade Cha To-sim was prepared to leave his beloved college classroom, wherein his dream was growing, immediately after the war broke out because of the U.S. imperialists' armed invasion, he said the following to his homeroom teacher.

"My dear teacher, I would like to be in the firing line. During the period our fatherland was lost, my heart was filled with the sorrow of the stateless people. I wandered around the Manchurian plain, begging my way, and I had to suffer from tough jobs at the age of 14. I do not ever want to live like a slave again. So, I have decided to take up the rifle."

Thus, the four party members took the oath and took up the rifles. They cherished their oath as a conviction, and walked on the path of constant loyalty. [passage omitted]

Such stories of the four party members, who are determined to keep their oath that was hardened for the party and the leader, have been well demonstrated through their lives.

Because of this, Comrade Cha To-sim, who was carrying out his duties as a military unit commander in wartime, was able to perform his duties with 20 some soldiers to the end behind the enemies where death approached every moment, whereas Comrade Kim Si-kwan, who had not lost his faith when surrounded by the enemies, banded together 13 soldiers who were separated from their home units and led them to break through the besieging enemy lines and finally find and return to his home post.

Comrade Han Yong-kuk, who was a colonel, fought as a medical director in wartime. [passage omitted]

The war ended with our victory. Paths to a new life were awaiting the victorious soldiers.

The discharged soldiers left for restoration work sites, their beloved colleges, and their hometowns where their parents, wives and children awaited.

In the hometowns of the four party members, too, awaited their beloved parents, wives and children as well as colleges that could help them realize their youthful dreams.

However, they could not readily leave the sentry post. They had previously hardened their oath before the military banner—the oath that they would never put down their rifles as long as the U.S. imperialists remain on this land, and they were vividly reminded of it. Also, still lingering in their eyes were the images of dying buddies, who asked for reunification of the fatherland, in the hard-fought warfare that lasted three years.

They could not help staying at the sentry post because of their conviction to devote all their lives to keeping their oath that was hardened before the party and the fatherland.

With such a conviction in their hearts, they continued their military service as a sentry who stood on the frontline for the defense of fatherland, and then faithfully performed their given duties at the Kim Il-song Military University. [passage omitted]

Although Comrades Kim Si-kwan, Cha To-sim and Han Yong-kuk, too, were discharged from the military service because of age, they all had different reasons for remaining at the university and continuing to make the revolutionary flowers bloom. Common in their minds, however, was their determination to hold fast and bring glory to their once-hardened oath.

On the day he took off his military uniform after 40 some years of service, Comrade Cha To-sim wrote in his voluminous diary as follows.

"In no way am I a retired soldier. Although I have taken off my military uniform, I will never take off the military uniform in my spirit. At a time when the fatherland has not yet been reunified, I still have much work to do. Senior Colonel Cha To-sim, forward to your post!"

At the word of his command to himself, he went to the university farm, which was under construction through the good offices of the beloved Comrade Kim Chong-il for the purpose of enriching soldiers' lives, and took the responsibility of getting the unfinished work done. Comrades Kim Si-kwan and Han Yong-kuk, too, occupied a new trench. Their inability to leave the ranks is not only because of their passion for the sentry post where they have sweat and spent their lifetime.

The trench that the four retired military officers newly occupied was a share that revolutionary warriors volunteered to take for the fatherland and was a fortress that will glorify forever their lives carved with pride and dignity.

Not too long ago, Comrade Kim Si-kwan took an official trip to Wonsan area. When he was heading for a bus stop after leaving a train, a speeding passenger car stopped nearby. A senior colonel of the Korean People's Army got out of the passenger car. "General grade officer comrade, please come aboard."

Surprised at being called a general grade officer by a senior colonel whom he had never met before, Comrade Kim Si-kwan, who was in civilian clothes, looked at him with questioning eyes. In response, the senior colonel spoke in a deeply sentimental voice.

"I am one of the students who received your lectures in the past. I have heard that you are still working hard for us soldiers even today. On behalf of the entire troop in my unit, please allow me to thank you."

Where else could a man find a greater happiness and sincere appreciation than this?

It was an honor which only a person who has enhanced all his life with a constant conviction could accept and embrace.

We still have a long and rugged way to go before attaining the revolutionary chuche cause. But as long as everyone follows the footsteps of the four retired military officers, on whom a great faith was bestowed by the beloved Comrade Kim Chong-il, who is judged highly by the great leader, and as long as everyone constantly cherishes their conviction and devotes all their lives to the party and the leader, and to the fatherland and the people, we will be able to overcome any kind of hardship and will surely attain the revolutionary chuche cause.

Editorial Calls for Boosting Light Industry

SK0906102090 Pyongyang KCNA in English
1006 GMT 9 Jun 90

[Text] Pyongyang June 9 (KCNA)—NODONG SINMUN today editorially calls for effecting a new turn in the production of consumer goods in the shortest possible period through a vigorous revolution in the light industry.

"On Thoroughly Carrying Out Revolution in Light Industry," a letter sent by dear Comrade Kim Chong-il to the participants in the national light industrial conference, reviews the proud successes made by our people in the development of light industry in the past period under the guidance of the party and the leader and gives a concrete exposition of the essence and significance of the revolution in light industry and the questions of principle in developing light industry more rapidly.

The work sets it as the important tasks of the revolution in light industry to develop the nation's light industry onto a new higher stage by making an effective use of the already laid foundations of the light industry and expanding and strengthening them and stepping up the modernisation of light industrial factories and thus, satisfactorily meet the needs of the people for consumer goods.

It also raises as the basic tasks of carrying out the revolution in light industry at present the question of producing consumer goods in large quantities, the question of increasing the variety of them and improving their quality, the question of accelerating the modernisation of light industry, the question of further developing the local industries and pushing ahead with the production of consumer goods as a mass movement and the question of all domains of the national economy actively helping the light industry.

Embodied in the work is the steadfast will of our party to provide the people with a more affluent and civilized life and bring the advantages of our socialism into full play in keeping with the inherent nature and demand of socialism, the editorial says, and goes on:

Officials and working people in the domain of light industry should display unbounded devotion and unexcelled heroism and press on with the technical revolution to carry through the tasks set forth in the work.

It is an unshakable determination of our party to successfully solve the question of consumer goods to meet the aspirations and demands of the popular masses in the shortest period through a powerful revolution in light industry.

South Korea

No Tae-u Discusses Results of Soviet Summit

Meets With DLP

SK1206030190 Seoul TONG-A ILBO in Korean 11 Jun 90 p 1

[Text] The government and the ruling Democratic Liberal Party [DLP] held an expanded joint meeting in the afternoon of 11 June at Chongwadae. At the joint meeting, which was presided over by President No Tae-u, participants discussed measures to improve relations between North and South Korea, the matter on economic cooperation between Korea and the Soviet Union, and other follow-up topics from the recently held Korean-Soviet summit and Korean-U.S. summit.

The joint meeting established the principles in our policies toward North Korea and the Soviet Union based on the outcomes of the Korean-Soviet summit and the Korean-U.S. summit. It extensively discussed detailed measures and the matter on cooperation between the government and the ruling party for the realization of these established principles.

At the meeting, President No stressed: "In mapping out our policies toward North Korea, we should find policies that will give the North cause to open itself to the outside world." President No ordered the attendants of the meeting "to be fully prepared for any changes in North Korea." He said: "I am convinced that North Korea cannot but change in the near future, and we are now faced with the situation in which a turning point favorable for the peaceful reunification of the country can be provided." President No stressed: "As far as our northern policy and the question of our nation are concerned, all of our people should firmly unite around the government."

Referring to the question of cooperation with the Soviet Union, President No stressed: "Chongwadae secretaries and relevant economic ministries should closely cooperate and work out measures so economic cooperation and trade with the Soviet Union can be beneficial to both countries." He warned: "Sporadic contacts before the establishment of basic guidelines between the governments of the two countries would seriously undermine prospects for the economic cooperation between them."

The president said: "In the Korean-Soviet summit, President Gorbachev and I recognized that the normalization between Korea and the Soviet Union has already begun and agreed to establish complete diplomatic relations between the two countries in the near future." He disclosed the fact that "in the U.S.-Soviet summit, President Bush strongly urged President Gorbachev to normalize relations between Korea and the Soviet Union."

At the meeting, Foreign Minister Choe Ho-chung disclosed that in the Korean-Soviet summit, President No delivered to Soviet President Gorbachev a message to North Korea. He said the message included a proposal to hold an early summit between North and South Korea, overtures for inducing North Korea to open itself to the world, and a proposal for suspending the competition between North and South Korea to secure military superiority.

The joint meeting was attended by all cabinet members, all executive members of the DLP, and all senior secretaries of Chongwadae.

Briefs Kim Tae-chung

SK0906062690 Seoul YONHAP in English 0530 GMT 9 Jun 90

[Text] Seoul, June 9 (YONHAP)—President No Tae-u had a telephone conversation with opposition leader Kim Tae-chung on Saturday to explain the results of his meeting with Soviet President Mikhail Gorbachev and U.S. President George Bush, Presidential spokesman Yi Su-chung said. No and Kim agreed to meet at an early date to discuss pressing national issues, probably next Saturday, Yi said.

During the 15-minute call, No told Kim his talks with Gorbachev and Bush were a turning point for advancing reunification of the Korean peninsula and asked for cooperation in building on them, Yi said. No said he had important discussions on settling peace on the Korean peninsula and relations between Seoul and Moscow with the Soviet leader. No also said, according to Yi, that he regrets that North Korea has shown no signs of moving toward openness and reforms, and that he would make an effort to induce Pyongyang to move in that direction.

Kim, president of the Party for Peace and Democracy (PPD), said he highly evaluated No's meeting with Gorbachev, the first by the two countries' heads of state, and expressed his hope that it would contribute to lowering tension on the peninsula and bringing peace to Northeast Asia, Kim's spokesman said.

Gives Interview

SK1006090090 Seoul HANGUK ILBO in Korean 9 Jun 90 p 3

["Exclusive interview" with ROK President No Tae-u by Yi Mun-hui, chief editor of HANGUK ILBO, at the Washington residence of the ROK ambassador to the United States on the afternoon of 7 June (Korean local time)]

[Text] [Yi] What do you think is the significance of the Korean-Soviet summit talks in San Francisco?

[No] By overcoming 86 years of separation and the unfortunate events of the past, Korean-Soviet relations have begun to be normalized. This means that, after having been bound to the cold-war system for 45 years since World War II, we are now transcending the era of the cold war.

First, efforts to end the cold-war system on the Korean peninsula have begun; that is to say, we have launched a march toward opening an era of peace.

Forty-five years ago, our territory was divided as a result of the system devised at Yalta. Our nation suffered great misery because of North Korea's invasion 40 years ago. Since then, we have lived amid the constant threat of war. It is because of a superpower's assistance that North Korea was able to invade the South and engage in armed provocations. The normalization of relations between Korea and the Soviet Union will serve as a process to reduce this threat of war and to establish peace on the Korean peninsula.

Second, the normalization of relations between the two countries will serve as a great stride toward peaceful reunification. With the Soviet Union and Eastern European socialist countries advancing toward perestroyka and glasnost on the basis of the "new thinking," North Korea cannot remain isolated. Furthermore, given conditions in which even the Soviet Union is trying to normalize relations with us, North Korea's response should be obvious. After all, North Korea ultimately will open its doors.

Third, our division was decided arbitrarily by outside forces, irrespective of our nation's will. But reunification will be achieved through our independent strength. This was confirmed by the Korean-Soviet summit in San Francisco and by the Korean-U.S. summit in Washington.

The task assigned to us is how to prompt North Korea to change. Our relations with neighboring countries are ripening to create circumstances favorable to reunification. The United States, the Soviet Union, Japan, and China, which are responsible for our division, are no longer obstacles to reunification. Unlike in the past, we are no longer a powerless, peripheral country. We are at the center of rapid global changes.

[Yi] In connection with the removal of the cold-war system on the Korean peninsula, what are your concrete plans for pushing ahead with diplomatic relations with larger powers? And who do you think is hindering this work?

[No] I think a good beginning makes a good end. Efforts to attain our goals are proceeding smoothly. When I met President Gorbachev, I pointed to the West Pacific and told him: "Thanks to the policy of perestroyka initiated by you, the 45-year-old cold war system is giving way to a new order. Nevertheless, part of Asia remains frozen."

Though we have knocked on North Korea's door many times, the North has failed to open it. Therefore, we can only keep trying to knock on its door. If the North and South restore confidence, maintain cooperative relations, and work together within the international community, they will be second to none. We have this potential. Our task is to fully achieve this potential with North Korea. Even a couple of years ago, no one could conceive that Germany would be reunified. We should carry out our task with conviction.

[Yi] Are you planning to advance any proposals for negotiations or any other positive initiatives to break the current deadlock in relations between North and South Korea?

[No] Of course, we must continue to strive in this direction. If there are any better proposals than those we have advanced so far, we must examine them. I told President Gorbachev: "The important thing is to meet. For responsible persons to meet is the most important thing. If you want to help me, help me in this way. Please coerce North Korea to change by exercising your influence." I also said: "We will never seek military superiority over North Korea."

Keeping this logic in mind, I plan to continue to directly and indirectly persuade North Korea. I think our approach will work if we make efforts. Gorbachev appeared to sympathize with me.

[Yi] How do you think ROK-Soviet relations will develop? Will economic cooperation, in particular, develop smoothly?

[No] Exchange and cooperation will develop on a higher level in the political, economic, social, and cultural fields, as well as every other field. ROK-Soviet economic relations are complementary. Therefore, there is much room for cooperation. The Soviet Union's area covers one sixth of the entire world; its population is 300 million; and it has boundless resources. The Soviet Union's basic science, high technology, and heavy chemical industrial technology are among the best in the world.

The Soviet Union is our geographic neighbor. Our country has economic development experience, management skills, capital, and, in particular, facilities for producing consumer goods that the Soviet Union needs.

If these mutual elements are combined, great progress will made in economic cooperation, which will benefit the development and prosperity of both countries.

The volume of bilateral trade, which started in 1986, was approximately $600 million last year, and it will be approximately $1.1 billion this year. Experts estimate that if diplomatic relations are established, trade volume will reach $10 billion annually within four to five years.

[Yi] Some people point out that our enthusiasm toward the Soviet Union is one thing, and the reality of our security is another. Other people worry that our enthusiasm toward the Soviet Union may affect our relations with our traditional allies. What do you think?

[No] The United States and other traditional allies of ours welcome President Gorbachev's philosophy on openness and restructuring and are willing to help him along these lines. The United States also sympathizes with our approaches. U.S. President Bush supported the ROK-Soviet summit and evaluates highly the new relations of cooperation between the ROK and Japan.

[Yi] Some people criticize the government for having hastily implemented its northern policy. What do you think?

[No] I will never make haste or waste time. I think we must not make haste nor should we miss opportunities. The problem is that some people think we must do everything at once. If we do this, we will lose a great deal during our diplomatic negotiations.

[Yi] In the space of just two weeks, you, President No Tae-u, successively held summit talks with the leaders of Japan, the Soviet Union, and the United States.... If you were asked to describe the significance of this, what would you say?

[No] I can say that my visit to Japan has liquidated the legacies of the past, that the ROK-U.S. summit talks consolidated the present, and that the ROK-Soviet summit talks were held to brighten the future. All three events are not isolated but interlinked.

[Yi] How fast do you think the relations with China will develop? Do you think it is possible to hold summit talks with China like those with the Soviet Union this year?

[No] Both Korea and China have specific historical, geographical, and cultural relations and have great potential for promoting cooperation in every field. Though Korea and China have not had any official relations over the past decades, remarkable progress has been made in their substantial relations. Last year alone, the trade volume between the two countries reached more than $3.1 billion and the number of visitors ran to approximately 20,000.

I am convinced that the development of the situation on the Korean peninsula in the wake of the Korean-Soviet summit and other surrounding circumstances will help to accelerate the improvement of relations between Korea and China. However, it is premature to expect Korean-Chinese summit talks within this year. Nor is it desirable.

[Yi] Do you not think the Korean-Soviet summit talks will plunge North Korea into a predicament? Is there any possibility for North Korea to act provocatively?

[No] It was expected that North Korea would be shocked. So must it have been. However, it would not feel inclined to resort to reckless adventure. Of course, we must prepare to counter any possible security threat. North Korea is expected to shrug off the shock and take a reasonable attitude. It cannot run counter to the strong tenor of history. There must be and will be changes in North Korea.

[Yi] Do you have any plan to pursue entry into the United Nations at its General Assembly session in September?

[No] The government adheres to the stand that the entry of the North and the South into the United Nations before reunification will be conducive to easing tension and improving relations between North and South Korea. However, it is not desirable to try to solve this problem in a hurried way. The government will study this problem in the direction of improving North-South relations.

[Yi] Many are greatly interested in the parliamentary-cabinet system. Will you talk about your views on revising the Constitution by the parliamentary-cabinet system?

[No] Both the presidential system and the parliamentary-cabinet system have their own merits and disadvantages. Which system should be chosen in a country should be decided by its historical background, political realities, and people's opinions. In our country in the past, the presidential system resulted in an authoritarian system and long-term power. Also, there were such side effects as extreme confrontation between the ruling and opposition parties, an overheated election campaign, and the aggravation of provincialism.

I am aware that there are more than a few who support the presidential-cabinet system. As elucidated in the 29 June declaration, I think that in terms of our people's matured political capabilities and the degree of social development, the parliamentary-cabinet system is desirable to establish democracy in our country. This notwithstanding, I accepted the people's will because the majority of the people preferred the direct presidential election system at that time. The Constitution can be revised according to the people's opinions. However, now is not the time to discuss the question of constitutional revision because there are many problems to counter and solve at home and abroad.

[Yi] I think you have had a lot of trouble in dealing with domestic affairs during the first half of this year. What are your policy directives with which to deal with domestic affairs during the latter half of this year?

[No] The most difficult are economic problems. I think much progress has been made in securing safety for the lives of people. If people have courage, will, and hope for prosperity, instead of only pessimistically saying that "this is a crisis" or that "we have difficulties," I think, we will be able to easily overcome current difficulties. Everything will go well if all the people ponder what, as a citizen, each of them can do in improving our status.

[Yi] What kind of person do you think must lead the next regime? Around when do you think he must emerge?

[No] We have an important task in our era, that is, building a strong foundation for democracy, prosperity, and reunification. I think a person who has capabilities and insights with which to deal with changes at home and abroad and who can be trusted by people must lead the country. A desirable leader must have a vision for the future and capabilities to efficiently handle complicated and diversified interests. I think it is untimely to refer to the leader of the next regime now, when even half of our term has still not expired. Still, because our Democratic Liberal Party is a democratic party, our candidate for the next presidential election will be chosen by the will of our party members and people according to the Constitution and the party charter.

Warns Against Euphoria

SK0906065490 Seoul YONHAP in English 0450 GMT 9 Jun 90

[Text] Seoul, June 9 (YONHAP)—Back in Seoul from the United States, where he had a historic meeting with Soviet leader Mikhail Gorbachev, South Korean President No Tae-u has warned against excessive euphoria over rapproachement with the Soviet Union.

Explaining the results of his trip over breakfast to leaders of the three branches of government and the ruling party on Saturday, No stressed the need to regain composure and exercise prudence in pursuing relations with Moscow and Pyongyang. No said his meetings in the United States earlier in the week with Gorbachev and U.S. President George Bush had helped pave the way for an end to the cold war on the Korean peninsula. He also said the biggest task facing the nation was how to cope with the results of his peace initiatives.

No called for all political forces of the country to unite in dealing with the reunification issue, and urged the ruling party and the government to make strenuous efforts to work out northern and unification policies based on consensus. No said it was undesirable for people to get too excited over developments surrounding the peninsula. "Since establishment of diplomatic relations with the Soviet Union may force North Korea to be more isolationist, we should be coolhearted in analyzing the expected transitional reality and take positive measures in national security and all other fields instead," he said.

He also called on private businesses to refrain from unnecessary competition in their bids to advance into communist markets.

Attending the session were National Assembly Speaker Pak Chun-kyu, Chief Justice Yi Il-kyu, Prime Minister Kang Yong-hun, ruling Democratic Liberal Party (DLP) Chairman Kim Yong-sam, and two other DLP leaders, Kim Chong-pil and Pak Tae-chun.

Diplomatic Possibilities After Summit Examined

SK1006003790 Seoul THE KOREA HERALD in English 10 Jun 90 p 2

["News Analysis" by staff reporter Yi Song-yol]

[Text] Following the San Francisco summit between Presidents No Tae-u and Mikhail Gorbachev, many south Koreans are excited not only by the prospects for normalization of diplomatic relations with Moscow and possibly with Beijing, but also by the brightened prospects for their long cherished goal of reunification of Korea.

Some political analysts talk hopefully about the possibility that No may meet with Chinese leader Deng Xiaoping or north Korean leader Kim Il-song in September at the Asian Games in Beijing. They also talk about Pyongyang's recent proposals for resumption of dialogue and arms reduction talks. But they know the situation on the Korean Peninsula is quite different from the one in Germany and that the two Koreas have a long way to go before they see the two halves of their divided land unified again.

The situation around the Korean Peninsula, however, has never been better, considering Seoul's efforts to woo Moscow and Beijing to use their influence in persuading Pyongyang to open its closed door and to abandon its hostility against the south. And Pyongyang's May 31 proposal for arms reduction is even inspiring to officials in Seoul, who hope the suggestion this time is not purely for propaganda purposes. Seoul officials are suspicious that Pyongyang's overtures may be another expression of its embarrassment at the No-Gorbachev summit, but even so, they say Pyongyang's positive stance provides momentum to reduce tension and take a step toward reunification.

Some pessimistic north Korea watchers, however, say Pyongyang, apparently pressured by the No-Gorbachev summit and changing global situation, may come out with a "peace offensive" for the time being, and in light of its rigidness, may turn inward to strengthen the rule of Kim Il-song and his heir apparent Kim Chong-il. In that sense, they point out that Seoul's Nordpolitik has just begun and the government of President No should make every effort to help create a favorable mood for Pyongyang to open its door.

Government officials say they have prepared an inter-Korea arms reduction formula for the past several years.

adding disarmament talks with Pyongyang are the pivotal issue that could decide the process of tension reduction and further improvement in relations between the south and the north.

In Seoul's bid for Nordpolitik, it has established full diplomatic ties with Hungary, Poland, Yugoslavia, Bulgaria, Romania and Czechoslovakia, and is about to normalize ties with the Soviet Union, the key to its new diplomacy. But if the Seoul government is simply engaged in establishing ties with socialist countries and alienating north Korea, it may accelerate isolation of Pyongyang and consolidate the separation of the two halves of the peninsula. "Don't worry, we know what we are doing," says a government official, adding Seoul is mapping out several measures to woo Pyongyang. "This time we are going to have truly patient talks with the north, talks on arms reduction and other issues, and the problem is their attitude and true intention," he says. He hopes Pyongyang's furious response to the No-Gorbachev summit last week would be temporary, and it eventually will comply with the new international order that leaves the Cold War an obsolete legacy of ideology.

In Seoul's bid for normalized relations with Moscow, another official says, "Some people are saying we are buying diplomacy with Moscow, and we are willing to." Moscow wants more trade and investment, but a major obstacle is the miserable state of Soviet infrastructure. In that sense, he warns against haste on the part of the Korean government and business firms. But he says Korea and the Soviet Union will be a good match. The Soviets could provide abundant raw materials, high technology and vast potential markets, while they can get south Korea's experience in rapid economic development with central planning and in light industries they need. Details of talks on bilateral cooperation, diplomatic and economic, will be held next month when a delegation from Seoul, headed by Foreign Minister Choe Ho-chung, visits Moscow.

Another major target of Seoul's Nordpolitik is, of course, Beijing, and both sides are working out a deal to make the Beijing Asiad an occasion to improve bilateral relations. The history of Seoul's commercial trade with China is longer than that with the Soviet Union, but Beijing seems more stubborn in backing Pyongyang politically. "Chinese leaders seem to believe the improvement of relations with Seoul largely depends on ties between Seoul and Pyongyang," a Foreign Ministry official says. He says Moscow's positive stance toward Seoul will be a good example for Beijing in dealing with the Korea issue. "So we don't have to make haste," he says.

It is expected that improved ties between Seoul and Moscow will lead to a thaw between Washington and Pyongyang, accelerating the favorable situation surrounding the Korean Peninsula.

German Formula for Korean Reunification Assessed

SK0906020090 Seoul THE KOREA TIMES in English 9 Jun 90 p 6

[Editorial: "Nascent Reunification Formula"]

[Text] The Seoul-Moscow summit Monday not only was a milestone in their bilateral relationship but also provided a catalyst for the settlement of peace on the Korean peninsula. At the same time, the historic summit showed Korean reunification is possible, following a similar process to that under way between West and East Germany.

Most ideal for Korean unity, of course, would be a Korean version of the German two plus four formula—an initial agreement by the two Koreas and confirmation by the United States, the Soviet Union, China and Japan. But under the present circumstances, the two plus four plan seems to be impractical.

Recognizing this, President No Tae-u confided during his just-ended visit to the United States that he was obliged to take a round-about way to explore a solution to the Korean question, since the road to Pyongyang had been blocked. Admittedly, No's meeting with Soviet President Mikhail Gorbachev and ensuing talks with U.S. President George Bush laid the groundwork for the buildup of a triangular cooperative system between Seoul and the two superpowers.

With Japan maintaining a close relationship with Seoul, Beijing is the only neighboring power in a rigid alliance with the Pyongyang regime, and there is the possibility that they will their mutual ties especially on the heels of the No-Gorbachev summit. As countries that are running against the tide of change in other socialist countries, the two may find it difficult to take other steps than tighten their grips on power, while maintaining mutual solidarity and a joint struggle against outside influences. Apparently concluding that accommodation to outside changes will inevitably result in their destruction, the two Communist countries are certain to refuse self-transformation for the time being, taking the position that Asia is different from East Europe.

In the meantime, fortunately or unfortunately, Beijing and Pyongyang have come up with somewhat different assessments of the Seoul-Moscow summit. North Korea's state news agency carried a statement denouncing the meeting as unpardonable, traitorous bargaining. China's official media reported that Korean and Soviet Presidents agreed to establish diplomatic relations, commenting that China is not "Discouraging" this process.

There is little doubt that the Seoul government has considerable expectations of a change in China's attitude in favor of Seoul with the forthcoming Asian Games in the fall as the momentum. Increasing contacts and cooperation will be needed between the two countries in a more liberal atmosphere during the event.

As a whole, with the three-way arrangement in process of formulation, there is a growing possibility of four-way cross recognition—recognition of Seoul by the Soviet Union and China and that of Pyongyang by the United States and Japan.

On a level, the German two plus four formula could be reversely applicable here in the form four plus two, as the North, direct corresponding party to the South, appears to be the last one which will accept the principle. And it is to be noted that cross-recognition is conducive to a thaw on the Korean peninsula but is no more than an interim stage in eventual reunification.

Seoul To Decline Separate UN Membership

SK0906140090 Seoul YONHAP in English 0716 GMT 9 Jun 90

[Text] Seoul, June 9 (YONHAP)—South Korea will pursue "every means" to reach an agreement on U.N. membership with North Korea, which has long opposed membership of the South alone or both Koreas. "The government thinks it is undesirable to upset the North Koreans now that tension on and around the Korean peninsula has been eased by the Seoul-Moscow summit in San Francisco on Monday," a high-ranking Foreign Ministry official said Saturday.

North Korea has maintained a position that admission of one or two Koreas would perpetuate the division of the Korean peninsula.

The Japanese daily SANKEI SHIMBUN reported on Saturday that North Korean leader Kim Il-song hinted at military action to prevent Seoul's single entry into the world body when he met with Chinese leader Deng Xiaoping in Beijing late last year. "If South Korea attempts to join the United Nations, tension will mount on the Korean peninsula and I will have to go wild," Kim told Deng, according to Western sources quoted in the SANKEI report. The paper said Deng promised Kim that China would veto an application by Seoul for U.N. membership. South Korean officials say, however, Kim's proposal for a single U.N. seat for both Koreas will be rejected.

Meanwhile, Foreign Minister Choe Ho-chung said Saturday that Kim's offer showed movement from Pyongyang's standing argument that U.N. membership would make national division permanent, but that the proposal would be impossible to realize. "It is practically and legally impossible for South and North Korea to join the world body under one name and share one seat," Choe said. North Korea's de facto recognition of the South would enable Seoul and Pyongyang to join the United Nations simultaneously, and so the South Korean Government will actively discuss the matter with the North Korean Government, he said.

Meeting reporters in his office, Choe said Seoul and Moscow would normalize diplomatic ties in high-level consultations through diplomatic channels, but there was no plan for a foreign ministers' meeting in July. "We don't have such a plan at present nor do I think we are in a position to have one," he said. "If the Soviet side proposes a foreign ministers' meeting, we will go for it, but we are not in a hurry."

Reasons for North's Disarmament Proposal Viewed

SK0906020690 Seoul THE KOREA HERALD in English 9 Jun 90 p 8

[Editorial: "North Korean Disarmament Bid"]

[Text] Of late, Pyongyang has been intensifying its vociferous mouthpieces to drum up plausible schemes. Last week, it came up with a disarmament proposal calling for the creation of a high-level military committee with south Korea and mutual arms inspections.

In fact, the proposal is largely a revamped version of Pyongyang's 1988 peace package that turned out to be a dud. Be that as it may, officials of the Seoul government have taken up the latest north Korean proposal, viewing it as containing several points that deserve positive review. They are expected to devise a response to the Pyongyang offer shortly.

It is, indeed, a sad commentary on the reason and goodness of mankind that we have to spend so much on making and stockpiling costly instruments of destruction. Diversion of even a portion of the military budget would allow us to enjoy a life of greater ease and comfort in peace. Disarmament, however, will hardly come in response to false sloganeering and lip service only. We want peace and disarmament but we are forced to maintain our defense capability against an unpredictably adventurous and desperate regime in the north whose ulterior schemes to unsettle the south through all means available remain intact. If Pyongyang really wants disarmament and peace, why does it deploy some 70 percent of its military forces along its forward areas of the demarcation line undermined by its invasion tunnels. In fact, the north has constantly rejected Seoul's practical proposals for talks to reduce tension on the peninsula, each time producing preposterous excuses.

This time, it seems, there are several reasons behind its sudden intensification of peace overtures. Pyongyang was probably impelled to make such gestures to counter the enormous success of President No Tae-u's summit with Soviet leader Mikhail Gorbachev earlier this week. Another hidden motive for trumpeting disarmament, apparently, is to camouflage its ultimate aim to remove U.S. forces from Korea, which, in Pyongyang's eyes, stand in the way of invading the south at any opportune time. In the past, whenever there were peace gestures, provocative acts by north Korea followed.

Unfortunately, the past leads us to be cautious about north Korea's appeasement gestures. Not to be deceived by the north's pacification campaign is the way to persuade Pyongyang to match its words with deeds. An end to the warlike, aggressive and revolutionary mentality on the part of the north Korean regime is the key to inducing bona fide disarmament and enhancing the chances for peace and reconciliation in this part of the world.

Officials Detect Flexibility in North's Attitude

SK0906010090 Seoul THE KOREA HERALD in English 9 Jun 90 pp 2, 3

[News analysis by staff reporter Kim Hye-won]

[Text] The favorable reactions from Seoul officials to north Korea's recent disarmament proposal are raising hopes for the birth of arms control talks on the Korean Peninsula for the first time. The officials say they are reviewing the new disarmament package from Pyongyang and will respond through inter-ministerial consultations after President No Tae-u returns home.

The new proposal from Pyongyang arrived in Seoul over Pyongyang Radio June 1 when mass media in the south were busy reporting the planned Korea-Soviet summit. Seoul officials brushed it off at first, saying that the proposal is only a revamped version of Pyongyang's 1988 peace package. The proposal repeated most of Pyongyang's old idea of adopting a nonaggression declaration between the north and the south, and withdrawal of U.S. troops and nuclear weapons from the south. But it also included some new elements like mutual arms inspections to check the implementation of the agreements.

Seoul officials now admit that they can detect some signs of flexibility in north Korean attitudes in the package. This apparent shift in the attitudes of Seoul officials, however, seems to stem more from their new recognition of changing international political situations around the Korean Peninsula—highlighted by the No-Gorbachev summit talks—than from the changes in the north's proposal itself.

Both officials and arms control specialists in Seoul agree that the conditions are now becoming ripe for the two Koreas to initiate talks on disarmament. They say disarmament talks between the two Koreas can by no means be successful without the involvement of the surrounding powers like the United States and the Soviet Union. Now that the two superpowers are beginning to show interests in maintaining peace on the peninsula, it is time for the two Koreas to get effectively involved in an effort to control the arms race between them, they say.

It is not clear whether north Korea would favorably respond when the south proposes talks for arms control in the near future. But considering the importance that the north has placed on military issues in inter-Korean matters, an optimistic forecast is possible. In fact, north Korea has taken initiatives in disarmament proposals for the last 42 years after the separate independence of two Koreas in 1948. Since then, it has made military proposals more than 200 times. More recently, it proposed a tripartite meeting among the United States and south and north Korea for discussing military issues, including arms reduction.

Pyongyang also presented a peace package in November 1988 which called for a gradual removal of U.S. troops and nuclear weapons from the peninsula and a cut in the size of troops of south and north Korea to fewer than 100,000. All these proposals called for arms reduction of both sides without the stage of mutual confidence building.

The south has been rather passive toward the disarmament issue. The first full-scale proposal from Seoul was made by then Foreign Minister Choe Kwang-su in June 1988 during the third special session of the U.N. General Assembly devoted to disarmament. President No Tae-u also proposed during his address to the U.N. General Assembly in October 1988 that he and north Korean leader Kim Il-song meet and discuss "sincerely and resolve all the problems raised by either or both sides with regard to disarmament, arms control and other military matters." These proposals from Seoul always advocated confidence-building measures before any real reduction in arms and military personnel. They also failed to present concrete numbers in the issues.

Officials say Seoul could not but remain passive to the north Korean initiatives because Pyongyang's proposals were motivated from its intention to lead a military vacuum in the south through withdrawal of U.S. forces, which surely is favorable to its scheme to communize the south. But the recent debates on the reduction of U.S. troops in Korea and the changing international politics prompted by Gorbachev's new policy of reforms have made southern officials feel a necessity for arms control study.

Seoul Skeptical About North's Arms Proposals

SK0906135990 Seoul YONHAP in English 0831 GMT 9 Jun 90

[Text] Seoul, June 9 (YONHAP)—A high-ranking South Korean official said Saturday the Seoul government is not considering opening a new channel of talks with North Korea to discuss Pyongyang's latest arms reduction proposals on May 31. Vice National Unification Minister Song Han-ho told a press conference that the South Korean Government will not accept it if the North suggests a new dialogue in connection with the recent arms reduction formula. "Both sides have already agreed to deal with the issue of solving the political and economic confrontation at the projected high-level authorities' meeting and therefore a new talk is not necessary."

Song is Seoul's chief delegate to preparatory talks to arrange for the high-level conference between the two Koreas, also called inter-Korean prime ministers' conference.

The preparatory contacts to materialize the high-level meeting have been on the stoppage as the North unilaterally halted the contacts earlier in the year to show its opposition to the annual South Korea-U.S. military drill called "Team Spirit." There were published news reports that Seoul apparently has the readiness to discuss the latest arms reduction overtures mady by Pyongyang because they contain some same ideas as the South has suggested. Song said the North's new arms reduction formula includes some detailed and concrete contents compared with the past proposals but basically it is a repetition of the past proposals.

The North has suggested to discuss confidence-building measures, arms reduction, withdrawal of foreign forces and the maintenance of peace after arms reduction agreements in the recent proposals. So far, the South has called for gradual approach to disarmament talks to begin with confidence-building measures while the North hopes for solving the issues simultaneously.

Song said although Pyongyang's new proposals include discussion of confidence-building measures as Seoul has wished but it is not likely that the North has expressed the willingness to discuss the issue on a gradual basis. He analyzed that Pyongyang's modified suggestion to hold arms reduction talks prior to tripartite talks among South and North Korea and the United States aims at including the issue of pulling American soldiers out of South Korea in the agenda of the projected high-level authorities' meeting. "The question regarding the withdrawal of U.S. forces is not a subject to be discussed between South and North Korea but an issue to be solved between South Korea and the United States," Song said.

Song admitted that Seoul is studying arms reduction on the Korean peninsula but said that the timing is not so mature for the issue to be discussed between Seoul and Pyongyang. He reminded of Seoul's planned three-phase arms reduction formula under which confidence-building steps should come first and will be followed [illegible] arms limitation and then arms reduction.

Paper Discusses Moscow-Pyongyang Relations

*SK0906130090 Seoul TONG-A ILBO in Korean
2 Jun 90 p 3*

[Article by reporter Kim Se-won: "Are Soviet-North Korean Relations Being Shaken?—Ripple-Effects of No-Gorbachev Talks"]

[Text] Commenting on talks between President No Tae-u and Soviet President Gorbachev in San Francisco, the Western media have viewed them as a victory for Korea's northern policy and as a "diplomatic blow" to North Korea's Kim Il-song. Of course, North Korea must have been greatly shocked by the startling announcement of a Korean-Soviet summit.

Furthermore, the Soviet Union even failed to give North Korea prior notice to the Korean-Soviet summit, which likely stunned the North. A sense of bewilderment and feelings of having been betrayed by the Soviet Union were contained in the North Korean side's reaction to the Korean-Soviet summit, which came from the North Korean Foreign Ministry spokesman on the afternoon of 31 June. During an interview with a reporter from state-run KCNA, the spokesman for the North Korean Foreign Ministry stated: "We have not been officially informed of any Korean-Soviet summit talks, but a realization of such talks will bring about serious political consequences for the future of the divided Korean peninsula."

North Korean affairs specialists view the talks, which were unpredictable on the part of North Korea, as likely to aggravate North Korean-Soviet relations during the short-term, but, in the long-run, to contribute to durable peace on the Korean peninsula by incorporating North Korea into a Soviet-conceived framework for the Korean peninsula's future.

North Korean-Soviet relations have been notably aggravated by Kim Il-song's personality cult, the power succession, the Soviet media's criticism of North Korea's closed system, the banishment of a TASS reporter from Pyongyang, and the apprehension of a Japanese-North Korean fishing boat. Under these circumstances, the holding of a Korean-Soviet summit, which is little different from the establishment of diplomatic relations, is the biggest diplomatic crisis North Korea has faced in the wake of moves by East European socialist countries to establish diplomatic relations with Korea.

For this reason, as well as to extricate itself from diplomatic isolation, it seems North Korea will, first of all, lean toward China, which maintains similar political lines, and strengthen relations with it. Since it has agreed to North Korea's claim that the improvement of Korean-Soviet relations is a scheme to perpetuate division on the Korean peninsula, China is likely to side diplomatically with North Korea for the time being. In the long-run, however, China is expected to persuade North Korea to give up its closed-door policies because of circumstances engendered by Korea's offer of assistance for the Beijing Asian games and because of the inevitability of economic cooperation between China and Korea.

It also has been predicted that to solve the problem of serious shortages in food and consumer goods and to extricate itself from the status of an international orphan, North Korea will approach the United States and Japan because China's aid is inadequate. In particular, North Korea appears to have increased its diplomatic offensive toward the United States by capitalizing on a situation in which some progress has been made in relations because of a series of diplomatic contacts and the return of remains of U.S. soldiers killed during the Korean war.

Meanwhile, despite an agreement in principle to normalize relations with Korea after agreeing to exchange consular offices, the Soviet Union, which had dragged its heels on diplomatic progress by taking into account its relations with North Korea, decided to hold the Korean-Soviet summit without even notifying North Korea beforehand of its decision. The reasoning behind this move has been attributed to domestic concerns within the Soviet Union.

Despite growing expectations resulting from perestroyka and glasnost, the Soviet economy remains in a state of depression and has entered a serious stage in which overdue payments for imports from Western countries have reached $10 billion. In this situation, where surmounting economic difficulties have become the country's greatest and most urgent task, Gorbachev has an even greater need to tap Korea's economic potential.

It is, of course, true that the Soviet Union will not desert North Korea, with which it has maintained an "alliance of blood." Also, the Soviet Union will not simply choose South Korea over North Korea, because it is attempting to approach Seoul not only to achieve economic cooperation, but also to secure a durable peace on the Korean peninsula and thereby reduce its huge expenditures in military aid to North Korea.

It seems that the Soviet Union intends to take advantage of the Korean-Soviet summit as an "occasion to shock" North Korea, which has rejected its policy of perestroyka and glasnost, failed to sign a nuclear safety pact, and created tension on the Korean peninsula. Behind this intention is its judgment that although the Soviet Union will have normalized relations with Korea, North Korea will not completely withdraw from the Soviet sphere of influence. In fact, North Korea owes 80 percent of its foreign debt to the Soviet Union and relies on it for weapons, petroleum, and most of its nuclear technology. Well aware of this fact, the Soviet Union judges that although North Korea will initially strongly object to the normalization of Korean-Soviet relations, it will be unable to maintain its closed-door system and will be incorporated into the "framework" of the Soviet Union's plan for the peninsula.

On 31 June, shortly after the announcement of the Korean-Soviet summit talks, a Soviet diplomat in Tokyo said: "We do not foresee any change in our overall relations with North Korea, and friendly and cooperative relations will continue in the future. We are holding exchanges with Korea within the context of the normalization of the situation on the Korean peninsula, and we hope that relations with Korea will contribute to the development of these exchanges."

Despite all of North Korea's objections to and displeasure with the Korean-Soviet summit talks, North Korea, while under the absolute influence of the Soviet Union, will ultimately respond to the cross-recognition of North and South Korea, to a resumption of the North-South dialogue, and to North-South negotiations on military confidence-building, all of which will be discussed at the forthcoming summit talks.

'Enlightenment Campaign' Begins on Korean War

SK1006014490 Seoul THE KOREA TIMES in English 10 Jun 90 p 2

[Text] While the whole society has slid into a euphoric Gorby syndrome following the Soviet-South Korean summit meeting in San Francisco Tuesday, the Information Ministry is launching a massive campaign to remind the people of the tragedy of the Korean War, triggered by the North with the support of the Soviet Union.

It is distributing to public libraries, professors and teachers 100,000 copies of a book written by Kim Hak-chun, senior presidential assistant for social affairs, refuting progressive revisionist theories that the war was brought about by the South or was induced by the South in conspiracy with "imperialist Americans."

A total of 100,000 sets of large pictures showing tragic scenes of the war are being given to schools and public offices, along with video films. Entitled, "What the War Means to Us," one film is devoted to the review of the historic significance of the Korean War and consolidation of youths' determination to unify the nation. The other film, entitled, "Is Communism Coming to an End," deals with the "failure" of the Soviet Union's experimentation with communism and a surge of reforms sweeping through Eastern European countries, said Yu Se-chun, director general for public information and research at the ministry.

The government agency is financing the publication of eight books including two comic books. One of them is "Collapse of Communism," a collection of New York Times articles, to be reissued here by the Eulyoo Publishing Co. in Seoul. The books feature a former North Korean officer's comfession about the war and a former North Korean college instructor's testimony to the North's "poverty and darkness" in the wake of the failure in agricultural and industrial policies.

Professors and experts will organize seminars on historical perspectives of the war and subsequent developments under the ministry's sponsorship.

Yu said, "It is meaningful for us to stage the enlightenment campaign on the occasion of the 40th anniversary of the outbreak of the war at a time when an overwhelming majority of the entire population are new-generation people who did not experience the incident that has had such a great effect on our history." He said, as one of slogans selected by the ministry from among 2,861 entries put it, "If the June 25 (War) is forgotten, it will invite another June 25."

Observers, however, noted that the conservative campaign goes contrary to a series of bold government steps to seek appeasement with North Korea, in particular, President No Tae-u's initiatives to meet with North Korean leader Kim Il-song and draw his regime out of isolation.

DLP Considers Revising National Security Law

SK1006010790 Seoul THE KOREA TIMES in English 10 Jun 90 p 2

[Text] The government party is carefully considering revising the controversial National Security Law "in a forward-looking manner" in accordance with the changing situation surrounding the Korean peninsula. A key officer of the Democratic Liberal Party [DLP] told reporters yesterday that "progress will be made in the negotiations with the opposition over the revision of the National Security Law." He did not elaborate on the specific changes in the new law during the forthcoming extra Assembly session. Instead, he indicated that the DLP is ready to revise the National Security Law "to a great extent."

The envisioned change of position regarding the revision of the law comes after President No Tae-u's summit diplomacy with the presidents of the two superpowers, the Soviet Union and the United States, last week, to help break the deadlock in inter-Korean relations. It also coincides with the mounting calls from the reform-oriented followers of DLP executive chairman Kim Yong-sam.

* North Changes Administrative Boundaries

902C0164A Seoul WOLGAN CHOSON in Korean No 3, Mar 90 pp 448-457

[Article by Kim Yong-kyu: "The New North Korea Gazetteer"]

[Excerpt]

The Process of Revising Administrative Districts

[Passage omitted] North Korea began to reorganize its administrative districts in 1946, the year after the liberation, when it elevated Pyongyang to a special city and created Kangwon Province by incorporating Yongchon-kun [county] in Kyonggi Province with Wonsan-si [city], Munchon-kun, and Anbyon-kun from South Hamgyong Province. In January 1949 North Korea created Chagang Province by putting together Kanggye-kun, Chasong-kun, Huchang-kun, Wiwon-kun, Chosan-kun, and Huichon-kun from North Pyongan Province and part of Changjin-kun of South Hamgyong Province. During the Korean war, North Korea merged Kaesong-si and Kaepung-kun and set up a provincial-level administrative district named "Kaesong District."

In December 1952 North Korea abolished all myon [township] administrative units and set about increasing county-level administrative units by amalgamating 5-6 myon into one kun or county. As a result, the previous 98 counties increased to 168. And by amalgamating several ri into one, the former 10,120 ri were made into 3,558 ri.

Also, the seats of county administrative organs were designated as eup [towns], irrespective of their size, and new administrative units called "workers districts" were created from regions of populations of over 400 persons not primarily engaged in agriculture.

In 1954, the year after the armistice, Yanggang Province was created. This was done by putting together 10 counties inside the border area centering about Hyesan-si, North Hamgyong Province. Hwanghae Province was split up, bringing together Sariwon-si, Songnim-si, and 16 counties, to create North Hwanghae Province, and 16 counties and Haeju-si to create South Hwanghae Province.

In 1955 Kaesong District was elevated to a directly administered city and the ri within the city were redesignated as tong [ward]. In 1960 Hamhung-si and Chongjin-si were made into directly administered cities and Pyongyang's 11 kuyok [districts] were expanded into 18 kuyok.

In 1965 a peculiar administrative district called Pyongsong-ku was created by merging Ha-ri and Hacha-tong, which had been part of Pyongyang-si, and Sain-ri, Toksan-ri, Ponghak-ri of Sunchon-kun, South Pyongan Province, and Wolpo-ri, Samnyhong-ri, Hutan-ri and Chongok-ri of Sunan-kun and Hanwang-ri and Hadan-ri of Kangdong-kun, and making it into the administrative seat for South Pyongan Province.

In 1972 Sunan-kun, South Pyongan Province was made a part of Pyongyang-si and Pyongsong-ku was elevated to Pyongsong-si. Toksan-kuyok and Toejo-kuyok from Hamhung-si were split off and redesignated as a county. Munchon-kun in Kangwon Province was merged into Wonsan-si.

In 1974, North Korea carried out a large-scale reorganization of county-level administrative units in which small-sized counties were abolished and merged into adjacent counties. Specifically, Inhong-kun, Sinchang-kun, Hongsang-kun, Sinsang-kun, Sundong-kun, Kwangchon-kun, and Toksan-kun in Hamgyong Province were abolished and Unson-kun from South Pyongan Province, Chongsong-kun from North Pyongan Province, and Yuson county from North Hamgyong Province were all abolished.

In 1976, Munchon-kun, which had been incorporated into Wonsan-si, was again split off and again became a county and from 1977 measures were introduced to rename counties. The first county to have its name changed was Yonghung-kun in South Hamgyong Province, which was changed to Kumya. North Hamgyong Province's Kyonghung-kun was changed to Undok-kun and Nungwon-kun was changed to Saebyol-kun.

In 1977, Musan-kun and Kyongsong-kun were incorporated into Chongjin-si and Chongjin-si—which had been downgraded in 1967 to the status of an ordinary city together with Hamhung-si—was elevated to a directly administered city. In 1980, Taean-si and Yonggang-kun were merged into Nampo-si, which was elevated to a directly administered city.

In 1981, Sinpa-kun, Yanggang Province was renamed Kim Chong-suk-kun, after Kim Il-song's first wife; Unggi-kun in North Hamgyong Province was renamed Sonbong-kun; and Myonggan-kun was renamed Hwasong-kun. Oro-kun in South Hamgyong Province was renamed Yonggwang-kun. North's Administrative Changes Made With South in Mind

In 1982, North Korea elevated Tanchon-kun, South Hamgyong Province to Tanchon-si and renamed Toejo-kun as Nagwon-kun. In 1983 Kangdong-kun was incorporated into Pyongyang and Sunchon-kun in South Pyongan Province was elevated to Sunchon-si.

Chongjin Directly Administered City in 1985 was again split off into Chongjin-si, Kyongsong-kun, and Musan-kun, which were incorporated into North Hamgyong Province. In 1987, Anju-kun and Tokchon-kun in North Pyongan Province were each elevated to city status and in August 1988 Chagang Province's Huchang-kun was changed to Kim Hyong-chik-kun, after Kim Il-song's father.

At the time of the liberation, North Korea's administrative districts comprised six provinces, nine cities, 89 counties, and 816 eup and myon. As a result of the numerous changes, however, today there is one special city, two directly administered cities—Nampo and Kaesong—eight provinces, 21 cities, 37 districts, 148 counties 148 eup, 844 tong, 3,398 ri, and 233 workers districts.

The characteristics of North Korea's administrative changes are as follows:

First of all, they were carried out with South Korea's administrative districts in mind.

That is, North Korea made Pyongyang into a special city and set up directly administered cities, dividing the country into nine provinces, as in South Korea. The intermediate administrative units of large cities were made into kuyok or districts, similar to ku in South Korea. It is not known for certain whether these changes were made with South Korea in mind or not, but we can presume that when North-South reunification discussions begin, if our side advocates elections of representatives according to population, North Korea will propose election of representatives by districts.

Second, these were administrative changes that followed a great simplification of general administrative business.

After the liberation, North Korean authorities socialized the entire society by carrying out an overall nationalization or collective ownership of the means of production, banning private enterprise across the board and assigning people to occupations and even places of residence according to official government planning.

Accordingly, various functions that used to be carried out by myon-level administrative organs in the past involving family registers, property, seals, taxation, military registers, and licensing and various other civil affairs administration were either done away with or greatly reduced. Other business, such as industrial economy, populace control, and propaganda and indoctrination work either expanded or was newly created.

Because the newly created or expanded work was much less than the general administrative work that was done away with or reduced, economic development and industrial affairs were put under county-level administrative organs; control of the populace and propaganda and indoctrination were placed under the control of ri-level administrative units; and eup—the county administrative seats—and tong in urban districts and worker districts—the collective residential areas of laborers-all were placed under the ri-level administrative units.

Third, the drawing up of administrative districts was carried out in consideration of economic development and efficiency of operation.

The characteristic of North Korea's administrative districts from the point of view of organization is that counties and cities are absorbed into special cities and directly administered cities. This suggests that the idea was to build a system with balanced development and minimum self-sufficiency.

Also, for smoothness of production and in order to facilitate mobilization of the populace and propaganda and indoctrination work, regions having cooperative farms were formed into ri, and regions with laborers and office workers were formed into tong and eup and laborers districts.

Along with the wide-ranging reorganization of administrative units, after the liberation, North Korean authorities even changed traditional place names.

Although most of the old place names for county-level and above have been retained, so many names of myon and below have been changed that it is hard to find them.

Use of Kim Il-song Family Names in Place Names

Among the old county-level administrative units and above that were given completely new names is Songjin-si in North Hamgyong Province, which was renamed Kim Yong-si, after Kim Yong, who died while serving as KPA [Korean People's Army] chief of general staff during the Korean war. Kyongwon-kun was changed to Saebyol-kun and Kyonghung-kun was changed to Sadok-kun. Yongjung-kun in South Hamgyong Province was changed to Kumya-kun and Kanso-kun in South Pyongan Province was renamed Taean-si.

The number of North Korean administrative districts has decreased, but of the 89 county names at the time of liberation, 63 still are being used as county names. Eight counties have been raised to city status. They are Sangsong, Huichon, and Kangnam in North Pyongan Province; Sunchon, Anju, and Tokchon in South Pyongan Province; and Hyesan and Tanchon in South Hamgyong

Province. Punyong in North Hamgyong Province, which was a county name, was changed to a kuyok or district.

There are nine [as published] myon names that survive as the names of the added counties in South Pyongan Province: Sukchon-kun, Pukchang-kun, Mundok-kun, Taehung-kun, Sinyang-kun, Chungsan-kun, Onchon-kun, and Pyongwon-kun. In North Pyongan Province there are 11: Changsong- kun, Hyangsan-kun, Pihyon-kun, Chonma-kun, Kujang-kun, Kwaksan-kun, Tongnim-kun, Usi-kun, Taegwan-kun, Tongchang-kun, and Unjon-kun. In the newly created Chagang Province there are nine [as published]: Kopung-kun, Chonchon-kun, Tongsin-kun, Nangnim-kun, Hwapyong-kun, Chunggang-kun, Changgang-kun, Yongnim-kun, Songgan-kun, Sijung-kun, Usi-kun, and Songwon-kun. In newly created Yanggang Province there are five: Samjiyon-kun, Unhung-kun, Pochon-kun, Taehungan-kun and Pungso-kun.

In the North Hamgyong area there are four: Hoeryong-kun, Orang-kun, Hwadae-kun, and Yonsa-kun. In South Hamgyong Province there are also four: Toksong-kun, Hochon-kun, Pujon-kun, and Yodok-kun. In Kangwon Province there are seven: Panggyo-kun, Chonnae-kun, Kosan-kun, Changdo-kun, Poptong-kun, Sepo-kun, and Kumgang-kun. In the Hwanghae area there are 16: Pyongchon-kun, Chongdan-kun, Taepan- kun, Unchon-kun, Paechon-kun, Yonan-kun, Yongyon-kun, Samchon-kun, Kangnyong-kun, Yontan-kun, Yonsan-kun, Tosan-kun, Singye-kun, Insan-kun, Sinpyong-kun, and Unpa-kun.

Among the North Korean counties with completely new names are Kim Hyong-chik-kun, which was reorganized into a county from part of the old Huchang-kun in North Pyongan Province, and named after Kim Il-song's father, and Kim Chong-suk-kun, which was elevated from Silla-myon, Sansu-kun, South Hamgyong Province and named for Kim Il-song's first wife. Also, Toejo-myon, Hongwon-kun was elevated to a county and renamed Nagwon-kun, and Oro-myon, Hamju county was elevated to county status and renamed Yonggwang-kun.

Also, Unggi-eup, North Hamgyong Province, was elevated to a county and renamed Sonbong-kun and Yongan-myon, Myongchon county, was elevated to a county and named Hwasong-kun. And part of Songhwa-kun, Hwanghae Province, was made into a county and named Kwail-kun.

Some previous myon-level administrative areas that were elevated to city status are still using the old myon name. They are Manpo-myon in Kanggye county, which is now Manpo-si, Pukchong-kun's Sinpo-myon, which is now Sinpo-si, and Hwangju-kun's Songnim-myon, which became Songnim-si. And one city that has a completely new name is Pyongsong-si in South Pyongan Province.

Thus, of the 914 administrative units of myon-level and above, 160 are called by their original names and the remaining 754 have disappeared. From this fact alone we can imagine how extensive the place name changes have been.

If we go down to the ri and tong level in place names, it is even more difficult to find the old names. Let us look at some typical examples in Pyongyang. It is currently composed of 18 kuyok, four kun, four eup, 252 tong, 133 ri and five workers districts.

A substantial portion of the 252 ri [as published] and 133 tong [as published] and five workers districts do use the old place names or related names, but there are innumerable instances where they have been newly named or the names have been changed.

A Saemaul in Pyongyang

If we look at some of the typical examples of tong names that are completely new, we find Saemaul [New Village] 1-tong and 2-tong in Pyongchon-kuyok; Saegori-tong, Pulgungori 1-tong and 2-tong in Potonggang-kuyok; Hangmi-tong, Chonu-tong, Sungjon-tong, Kaeson- tong, Kinmaul 1-tong and 2-tong in Sinmoranbong-kuyok; Yonmot-tong and Kinjae-tong in Sosong-kuyok; Unme-tong, Sanop 1-tong and 2-tong in Songyo-kuyok; Saesallim-tong in Tongdaewon-kuyok; Ukkogae-tong in Mangyongdae-kuyok; Apsae-tong in Sungho-kuyok; Cheumul-ri and Nunggum-tong in Yokpo-kuyok, and Kingol-ri in Nangnang-kuyok.

The characteristic phenomenon in the change and creation of new place names in North Korea is that they ignore geographic connections and traditions and have been adopted on the basis of revolutionary creativity. We can find several features in common such as the following:

First, some are related to the Kim Il-song family personality cult.

Huchang-kun in North Pyongan Province was renamed Kim Hyong-chik-kun in honor of Kim Il-song's father. In order to take part in the anti-Japanese struggle, he had sequestered himself and was arrested by the Japanese police at Popyong Ferry Crossing and the place was so named to commemorate the incident. Sinpa-myon in Samsu-kun, South Hamgyong Province was where Kim Il-song's first wife, Kim Chong-suk was born, hence it was named Kim Chong-suk-kun.

Second, some are an effort to commemorate Kim Il-song's benevolence.

Unggi in Hamgyong Pukto was renamed Sonbong-kun [Vanguard County] because when Kim Il-song gave on-the-spot guidance to workers at the Unggi Oil Refinery he instructed that they should be the vanguard of economic construction. Other place names that were changed as a result of Kim Il-song's on-the-spot guidance are: Kyonghung-kun into Sadok-kun; Kyongwon-kun into Saebyol; Oro in Hamju-kun into Yonggwang [Glory] and part of Hamju-county into Kumya-kun.

Third, there are traces of name changes made in order to exalt the revolutionary spirit.

One finds innumerable tong and ri with names such as Kaeson [Triumphal Return], Sungni [Victory], Chonsung [Victory], Ponghwa [Torch], Hyoksin [Reform], Pulgunbyol [Red Star], Chonu [Comrade in Arms], Hangmi [Resist America] and the like. Such names were almost all connected with the achievements of the period of the anti-Japanese resistance or the Korean war.

Fourth, in the North Korean names for ri and tong one frequently finds as names for new villages Saegori [New Street], Puhung [Reconstruction], Nagwon [Paradise], Kwangmyong [Hope], Saesallim [New Life], Konsol [Construction], Sanop [Industry], Hyoksin [Reform], Hwanggum [Gold], Chollima [Winged Horse], and Changgwang. These names are to commemorate Kim Il-song's economic construction on-the-spot visits or Kim Il-song's instructions connected with economic construction.

Fifth, there is an increase in pure ethnic Korean names without regard for the Chinese character names.

Part of Songhwa-kun in Hwanghae Province was upgraded to a county and given the name Kwail-kun [Fruit County] because the whole area was filled with apple and peach orchards. Other tong names such as Yonmot [Pond], Unme [Upper Forest], Ukkogae [Upper Pass], Nunggum [Apple], Cheumul [Well-water] and Saebyol [New Star] are pure Korean names that do not use Chinese characters. [passage omitted]

Students Attack Kwangju U.S. Cultural Center

SK1106235090 Seoul Domestic Service in Korean 2200 GMT 11 Jun 90

[Text] The U.S. Cultural Center in Kwangju, which is scheduled to open today after temporarily being closed in May of last year, was again attacked by students with firebombs early this morning.

At around 0530, approximately 250 people who appeared to be students staged a surprise demonstration and threw stones and firebombs at the U.S. Cultural Center in Yangnim-tong. They fled after 20 minutes. The Sobu police station's Yangnim police box near the U.S. Cultural Center was partially burned during the students' surprise attack and a small truck parked in the front of the U.S. Cultural Center was scorched. No serious damage was reported.

Some of the demonstrators went up to the rooftop of the main building in the Honam Theological School, wrapped the Korean national flag around their bodies, and shouted slogans such as "The United States, the behind-the-scenes manipulator of the Democratic Liberal Party, must withdraw!"

The Kwangju U.S. Cultural Center, which was temporarily closed in May of last year, held an opening ceremony yesterday afternoon and is scheduled to open to the public later today.

Further Reportage

SK1206030090 Seoul YONHAP in English 0242 GMT 12 Jun 90

[Text] Kwangju, South Korea, June 12 (YONHAP)—Police fired seven shots and used tear gas to disperse some 400 radical students armed with firebombs who got within 70 meters of the just-reopened U.S. Cultural Center in Kwangju early Tuesday. [12 Jun]

Four policemen were injured during the 15-minute-long clash in this city 255 kilometers southwest of Seoul and two students were arrested.

The Center, reopened on Monday, was closed in May last year after being attacked 29 times by radical students with rocks and firebombs in 10 years.

Four of the protesters spent two hours on the roof of a four-story dormitory at nearby Honam Seminary campus, displaying a huge placard that read, "Close the U.S. Center."

Meanwhile, some 600 students from Choson University attempted to march on the Center after a campus rally in the morning, but police turned them back. They pelted police with firebombs and rocks for about two hours.

Kwangju is a hotbed of anti-American sentiment and some citizens, students and dissidents believe that the United States was partly to blame for the bloody crackdown on pro-democracy protests in the city in May 1980 and claim it gave tacit consent to the martial law command's mobilization of troops into the city.

Alliance Makes Statement on Center's Reopening

SK1006053090 Seoul HANGUK ILBO in Korean 10 Jun 90 p 18

[By reporter Yim Chong-myong]

[Text] During a news conference held at its office in Kung-tong, Kwangju, on the morning of 9 June, the Kwangju and South Cholla Provincial Democratic Alliance released a statement entitled "Our Position on the Visit to Kwangju by Gregg and the Reopening of the American Cultural Center," opposed the reopening of the American Cultural Center in Kwangju on 12 June, and made it clear that it will prevent Ambassador Gregg from visiting Kwangju.

In this statement, the democratic alliance said that "the United States has shamefully distorted the truth and avoided taking responsibility in response to the citizens' questions on the truth of the Kwangju massacre and U.S. responsibility" and that "we will struggle to remove once and for all the American Cultural Center, which has whitewashed the U.S. policy of domination and which has served as an intelligence agency."

Gregg Attends Meeting To Reopen U.S. Center

SK1106054590 Seoul Domestic Service in Korean 0300 GMT 11 Jun 90

[Text] U.S. Ambassador Gregg, who came to Kwangju today to attend the ceremony reopening the U.S. Cultural Center in Kwangju, said in a press interview that the U.S. Cultural Center in Kwangju is reopened because, despite some students' opposition, the majority of the Kwangju citizens, including those who wish to use the data available at the U.S. Cultural Center, desired it.

Ambassador Gregg said he would never close the Cultural Center unless the lives of its staff are threatened, or the majority of the Kwangju citizens want it. Ambassador Gregg said he plans to have a dialogue with the citizens in Kwangju in August, together with the Hungarian ambassador to the ROK, who worked in Pyongyang for 10 years, and the German ambassador to the ROK. A music concert of Mr. Charlie Byrd, a world-famous guitarist, will be given in September.

The U.S. Cultural Center reopened today in the Women's Hall in Yangnim-tong, Kwangju after a closure of 13 months, since May of last year.

Denies Responsibility

SK1106084190 Seoul YONHAP in English 0807 GMT 11 Jun 90

[Text] Kwangju, South Korea, June 11 (OANA-YONHAP)—U.S. Ambassador to South Korea Donald Gregg denied Monday that his country shared any responsibility for the military suppression of the Kwangju civil uprising 10 years ago, but said that Washington "regrets any part it played in allowing misunderstanding to build about the 1980 incident."

In a speech at the opening of the American Cultural Center in this provincial capital, Gregg said, "When I visited Kwangju in January, I came to realize that American silence had contributed to a hardening of suspicions and mistrust on the part of some of the people of this city toward the United States."

There are allegations by some Kwangju citizens, and student and dissident groups, that the United States was partly to blame for the military crackdown because it gave tacit consent to the martial law command's mobilization of troops into the city in May 1980. The military action left nearly 200 people dead and hundreds of others injured by official count.

"But Kwangju citizens, and all Koreans, need to realize that the Kwangju incident was a Korean issue that can only be resolved by Koreans," Gregg said. "Much of the bad feeling toward the United States over the Kwangju incident comes from the belief that the United States should have saved Kwangju. But Koreans must understand that there are limits to our power and influence. Theories that shift responsibility for Korea's problems to the United States will only hamper Korea's development. We cannot move together into the future with a light heart if the past remains a heavy burden."

He then added, "The United States regrets any part it played in allowing misunderstanding to build about the 1980 incident. But it has acted to rectify that misunderstanding in the last two years, especially with the U.S. State Department's 1989 Kwangju statement." The U.S. Government denied any direct responsibility for the military suppression of the protesters in the statement.

"I believe that communication—words spoken to one another—can help end doubts and suspicions. It is in that spirit that we are opening the American Cultural Center (in Kwangju)," Gregg said.

The center, closed in May last year after being assaulted 29 times since the Kwangju incident, is open to public from Tuesday. The event was not welcomed by anti-American students, some 500 of whom gathered at Choson University for a rally to protest the center's reopening and demand the withdrawal of U.S. forces and nuclear weapons from South Korea.

KMI Calls For Not Opening Coastal Shipping

SK0906015090 Seoul THE KOREA TIMES in English 9 Jun 90 p 8

[Text] A senior fellow of the state-run Korea Maritime Institute (KMI) yesterday called on the government not to open the coastal shipping service to foreigners at the on-going multilateral trade negotiations of the Uruguay Round.

Kim Kwang-tae, KMI senior fellow, said the coastal shipping service should not be opened in view of national security and economic aspect. He made the remark at a policy consultation meeting on the shipping sector of the multilateral trade negotiations at the KMI yesterday. He also urged the government not to allow foreigners to possess or operate domestic port and harbor facilities as the facilities have never met domestic demand.

The port stevedoring sector should also be deleted from the market opening list due to domestic social customs such as strong labor union activities, he maintained. But Kim recommended that the government push ahead with the market opening schedule in other shipping sectors which have already been agreed upon in bilateral negotiations with the United States at the GATT multilateral negotiations. The shipping sectors involved are deepsea shipping, ship brokerage, ship management and ship lending.

As for foreign investment in shipping, Kim recommended that foreigners be allowed joint investment after mid-1990 and independent investment on a gradual basis after that.

The multilateral trade negotiations of the Uruguay Round in services including shipping, which started in 1986 for free trade in services as well as commodity trade, will end by the end of this year. Now, interested countries have been actively negotiating on the scope of the market opening and sphere in Geneva in groups for a final draft of the global convention.

The government has already drawn up the market opening timetable in shipping and port-related business to answer U.S. pressure. The United States and the European Community have been the major pressure group forcing Korea to open its shipping market wider. Kim, however, said the government should adopt a policy of "competitiveness sharpening first and market opening next" to reduce the probable impact of the liberalization at the multilateral negotiations.

Seoul Seeks USSR Economic Cooperation Council

SK1106073990 Seoul YONHAP in English 0512 GMT 11 Jun 90

[Text] Seoul, June 11 (YONHAP)—Deputy Prime Minister Yi Sung-yun said Monday that South Korea will seek to establish a government-level Korea-Soviet Union Economic Cooperation Council headed by a vice minister or a higher official.

In a meeting of senior government and ruling Democratic Liberal Party leaders, Yi said the government will attach a great significance to the task of the promotion of trade with, and investment in, the Soviet Union by Korean businesses and development of resources in the Soviet Union. The government also will seek to conclude an investment guarantee and an accord on double taxation avoidance with the Soviet Union, said Yi, who is also economic planning minister. The meeting was chaired by President No Tae-u at Chongwadae, the presidential office.

Yi said the administration would make a concentrated effort to curb inflation through a stringent money policy, delaying the issuance of construction permits and maintaining a stable supply and demand of agricultural products. He said that the construction industry is enjoying a boom thanks to the government's project to build 2 million housing units, but ill effects include a sharp rise in the prices of construction materials.

Reportage on Cooperation With Soviet Technologies

Ministry Reports

SK0906063690 Seoul YONHAP in English 0500 GMT 9 Jun 90

[Text] Seoul, June 9 (OANA-YONHAP)—Half of the 786 technologies suggested by the Soviet Union are available for commercial use immediately or within five years, the Science and Technology ministry said Saturday. In a report on the Soviet technologies, the ministry said 78 technologies can be commercially utilized immediately and 247 within three to five years.

The Soviet Union suggested the technologies for cooperation with Korean businesses through its patent agency, Licensintorg. The technologies break down to 100 suggested by the Soviet State Committee for Science and Technology and 686 by Licensintorg. About 200 experts from research institutes under the ministry were mobilized in an intensive study of the Soviet technologies.

The report said joint study can be made in 57 small subjects of the 14 science and technology programs being pursued by the Soviet Government. Cooperation is possible in such fields as new materials and up-to-date bio-engineering. Other promising fields are artificial intelligence, super conductivity, linear motors and housing construction technologies.

Of the 100 technologies suggested by the Soviet State Committee, 43 are available for direct transfer to Korean firms and 35 for commercial use after joint research of three to five years. The report said 91 of the 686 technologies held by Licensintorg can be utilized immediately and 156 after three to five years. Promising for cooperation are metal, machinery, plastic, bionics and chemical technologies.

The ministry will release the report to relevant businesses and establish a "technology transfer center" to promote the industrialization of Soviet technologies. The ministry will also send a team of experts in various fields to the Soviet Union late this month to get more information on the 786 technologies.

Expansion Noted

SK0906012090 Seoul THE KOREA TIMES in English 9 Jun 90 p 8

[Text] Spurred by the expansion of economic cooperation between Seoul and Moscow following the San Francisco summit between President No Tae-u and his Soviet counterpart Mikhail Gorbachev, Soviet businesses are rushing to Korea.

The Soviet Union is focusing on increasing cooperation in technology and science in its advance to Korea. In particular, the Soviet Union is poised to transfer its up-to-date technology in aerospace, genetic engineering, medicine, chemicals and new materials to Korea. Needless to say, the Soviet Union plans to commercialize such high technology with the capital and marketing abilities of Korean business. The Soviet Union is especially determined to hand over basic scientific expertise and high tech technology to Korea as advanced countries in the free world are reluctant to transfer such technology to Korea.

Meanwhile, the government has already allowed two Soviet business concerns to establish branch offices in

Seoul. They are Licensintorg which specializes in the transfer of Soviet technology and patents rights and Stankoimport, the largest Soviet trader of machinery. The two Soviet enterprises have also forwarded a list of their technology and patents rights to the Korean government in a bid to transfer them to Korean business concerns.

Licensintorg, which was established in 1962, now maintains economic and trade cooperation with more than 40 countries. In December last year, Samsung Co., the general trading company affiliated with the Samsung group, signed a contract with it to commercialize its technology and patents rights in Korea. The Soviet enterprise introduced some 900 basic scientific technologies and patents rights to Korean business during the USSR Week held at the Korea Exhibition Center on May 28-June 3. At that time, it signed contracts with a number of Korean companies to sell knives used for eye operations.

Domestic general trading companies and pharmaceutical markers are actively negotiating with Licensintorg to attract its technology and patent rights. Other Soviet companies plan to transfer their technology and patents rights in the fields of aerospace and chemicals to Korea. Korea and the Soviet Union will hold a seminar on the promotion of technology cooperation in Seoul in the latter half of this year.

In the meantime, the Soviet Union is concentrating efforts on exports of various machine tools. Stankoimport, which was set up in 1930, is now operating 453 factories in the Soviet Union for the manufacture of super precision machinery. It has been endeavoring to open business in Korea since the latter half of last year. The Soviet company is supplying its products to Daewoo Corporation and other general trading companies even before it establishes a branch office in Seoul.

Among its products that the Soviet firm is striving to sell Korea are super-sized hammers, lathes, super precision machinery and new materials which Korean businesses import from the United States, the 12-member European Community and Japan. It was reported that each general trading firm has sought to monopolize imports of such goods from the Soviet enterprise. Encouraged by fierce competition among Korean business concerns, the Soviet firm decided to open a branch office in Seoul.

The Soviet Union also seeks make a foray into Korea in the fields of nuclear energy, tourism and agricultural product processing through joint ventures. It was learned that the Soviet national airliner Aeroflot will soon open a branch office in Seoul in a bid to attract more Korean tourists to the Soviet Union, following the opening of a direct air route between Seoul and Moscow in March.

In the midst of growing efforts by the Soviet Union to enter Korea, a substantial number of Korean businesses are endeavoring to set up branch offices in Moscow and other Soviet major cities. Four general trading companies—Hyundai, Samsung, Daewoo and Lucky-Goldstar—have already opened branches in Moscow. Other general trading companies such as Kolon, Sunkyong, Hyosung and Ssangyong are likely to set up branch offices in Moscow before the end of this year.

As a result, direct trade between Korea and the Soviet Union will rapidly increase in the days ahead. The Trade-Industry Ministry recently predicted that trade between Korea and the Soviet Union would expand from the current $500 million level to $2 billion within a couple of years.

Beijing Proposes Exchange of Trade Offices

*SK1106140090 Seoul TONG-A ILBO in Korean
11 Jun 90 p 1*

[Text] It has been learned that as part of efforts to improve Korean-Chinese relations, China recently filed an official proposal with our government for opening trade offices in Seoul and Beijing and authorizing them to offer limited consular services, such as the issuance of visas. How our side will respond to this proposal of the Chinese side is drawing attention, because it is the first official proposal since the relations between the two countries were ruptured as a result of the Tiananmen incident last June.

On 11 June, a high-ranking government official confirmed that "the Chinese side has officially proposed opening trade offices in Beijing and Seoul before the Asian Games in Beijing this September and authorizing them to deal with the work of issuing visas to the Korean athletic team and spectators of the Asian Games." He added that "the government is presently examining whether it will accept the proposal or not." The official explained that "the proposal of the Chinese side purports that the Korean Trade Promotion Corporation [Kotra] of our side establishes a trade office in Beijing and it expediently deals with the work of issuing visas." He further said that "this proposal of the Chinese side is different from the position of our government, which hoped to open a body or an organization with independent consular functions."

The official said "the trade office that the Chinese side is proposing is, in a strict sense of word, a pure civilian organization different from a trade mission and its proposal is designed to allow not a diplomat but an official of Kotra to expediently issue visas." He added that "the basic stand of the government is that even though the form of a trade office is employed, at least our diplomat should be stationed in China in the capacity of a consul to perform consular work, such as the issuance of visas."

It has been learned that the government is discussing whether it should accept the proposal. A larger number of those in the economic sector believe that first of all, a trade office should be established by accepting the proposal of the Chinese side and then, it should be gradually upgraded with independent consular functions. However, the Ministry of Foreign Affairs and other government organs reportedly maintain that with the Asian Games as an occasion, a trade mission or a "consular department," to which consular functions with certain qualifications are guaranteed according to an intergovernmental agreement, should be directly established.

Under its basic strategy of taking advantage of the Asian Games as a decisive opportunity to make progress in Korean-Chinese relations, the government has, so far, negotiated with the Chinese side over a way to dispatch a high-ranking diplomat in the capacity of attache to the Asian Games in Beijing and authorize him to carry out consular work until the games have closed or a way to dispatch a "group of consuls" and station it there even after the games.

Yun Hae-chung, adviser to the Korean Olympic Committee, is scheduled to be assigned to Beijing soon as the attache of our side. According to the charter of the games, the attache is a mandatory position to conduct liaison work between the host country and a participating country.

Ministry Denies Exchange

SK1106140190 Seoul Television Service in Korean 1200 GMT 11 Jun 90

[Text] Chong Ui-yong, spokesman for the Ministry of Foreign Affairs, revealed in a commentary today that the government has not reached any agreement with the Chinese Government to establish trade missions that would carry out consular functions and that there was no such proposal from the Chinese Government.

Escort Ships Return From RIMPAC Exercise

SK0806045290 Seoul THE KOREA TIMES in English 8 Jun 90 p 3

[Text] Two escort ships of the Korean Navy returned yesterday from the RIMPAC '90 naval training exercise, steaming into their home port of Chinhae on the south coast. Both naval craft left here March 24 this year to take part in the multinational training maneuvers held on the high seas near the Hawaiian Islands from April 2 through May 21.

It was not until this year that the Korean naval force had attended the RIMPAC training exercise in which four Pacific-rim countries—the United States, Australia, Canada and Japan—took part.

A ranking Navy officer said that the Korean naval force had a rare but precious chance to access to advanced sea operations and strategies and enhance the capabilities to conduct combined blue water maneuvers with Pacific-rim countries. He added that participation in the maneuvers had contributed much toward consolidation of the Korean naval force's ability to secure and protect major communication sea routes speedily and effectively in time of emergency in close cooperation with the friendly littoral countries of the Pacific.

The RIMPAC exercise comprises combined training maneuvers, escorts of transportation convoys, engagement with simulated enemy fleets, support of friendly landing operations and securing and protection of key supply sea lanes. The senior officer commented that participation in the RIMPAC '90 training operations not only added substantially to further promotion of the military relations between the two allies, Korea and the United States but also played a deterrent role against North Korean adventurism. North Korea, he reminded, now has roughly 200 speed boats and 23 submarines in operation.

Mongolian Cultural Delegation Leaves After Tour

SK0206052390 Seoul YONHAP in English 0453 GMT 2 Jun 90

[Text] Seoul, June 2 (OANA-YONHAP)—A Mongolian cultural mission left Seoul on Saturday [2 Jun] at the end of an 11-day visit to promote exchanges between the two nations, which established diplomatic ties recently.

Arriving May 23, the 14-member mission led by Deputy Culture Minister Natsagiyn Jantsannorob and Korea-Mongolia Friendship Association Chief Dorjpalamyn Gerel included a six-member folklore dancing troupe and was active in displaying traditional Mongolian culture. On "Korea-Mogolian Friendship Night" May 27, for example, they demonstrated the setup and disassembly of "Ger," a stock-breeding mobile home, played time-honored folk games and music, and showed postcards, postage stamps and handicrafts.

On the delegation, the first since the formation of diplomatic ties in March, were Lamaist Prelate K. Gaadan, Miss Mongolia and tourist officials. They paid a courtesy call on Foreign Minister Choi Ho-chung on Friday and discussed the promotion of further exchanges.

Authorities Seize Drugs Smuggled From Taiwan

SK0906044890 Seoul THE KOREA HERALD in English 9 Jun 90 p 3

[Text] Three people have been arrested for smuggling a raw material for the illegal drug hiroppon from Taiwan to be sold to producers of the drug in Korea. Prosecutor Sin Sang-kyu at the Pusan District Prosecutor's Office announced the arrest of Kim In-hyo, 53, and two others for bringing into Korea 400kg of hydrochloric ephedrine.

Yu Sam-sik, 48, and three others in charge of distributing the chemical were put on a police wanted list. They were all charged with evading customs duties and violating the law governing the distribution of medicines. The prosecution confiscated 100kg of hydrochloric ephedrine.

According to the prosecution, Kim allegedly arranged for his brother Kim Kyong-ho, 39, also under detention, to get the raw material for hiroppon, a kind of methamphetamine, from a 40-year-old Chinese, identified as Son U-sok, in Taiwan on three occasions between July and September last year. The prosecution alleged that they received the hydrochloric ephedrine from a Taiwanese freighter in international waters, north of Taiwan, around 10 a.m. last Sept. 25 and smuggled it into a harbor in Yangsan-kun, Kyongsangnam-to. The 400kg take is the second largest amount yet detected by law enforcement authorities since last August when a group of drug traffickers was arrested for smuggling in 690kg of hydrochloric ephedrine from Singapore.

Prosecutors said hiroppon worth more than 350 billion won in street value could be made from the 400kg of ephedrine and it would supply more than 9 million people at one sitting. The raw material for hiroppon is smuggled into the country, in many cases, from such Southeast Asian countries as Taiwan, Singapore and the Philippines, and customs authorities are strengthening their efforts to curb the inflow of dangerous drugs.

Missions Sent To Prepare Embassy Openings

SK0906013490 Seoul THE KOREA TIMES in English 9 Jun 90 p 2

[Text] Five diplomats yesterday were sent to as many countries which entered into diplomatic relations last March with Korea with the mission of preparing for the opening of embassies and serve as charges d'affaires till ambassadors are accredited. The diplomats are Pang Pyong-chae for Bulgaria, Chae Su-tong for Romania, Choe Song-ho for Czechoslovakia, Sin Sung-chol for Namibia and Choe Yong-sam for Mongolia. Their bosses will be sent there two months from now.

Taejon Trade Fair Vies for International Hosting

SK1006012990 Seoul THE KOREA TIMES in English 10 Jun 90 p 9

[Text] O Myong, chairman of the Organizing Committee for the '93 Taejon International Exposition, will leave for Paris today to take part in a general assembly of the International Bureau of Expositions (BIE) slated for July 14. The purpose of the general assembly of the Paris-based BIE is to vote on the fate of the Taejon international trade fair.

O will call upon the 43 member countries of BIE to support the hosting of the Taejon international trade fair in the vote. In case BIE recognizes the Taejon trade fair, Korea will be the first developing country to host such an international exhibition.

Overseas Construction Licenses To Be Resumed

SK1006013590 Seoul THE KOREA TIMES in English 10 Jun 90 p 9

[Text] The Construction Ministry plans to resume issuing overseas construction licenses for domestic businesses after 10 years of suspension, riding on the brisk mood in overseas construction markets recently. The ministry plan is aimed at providing more domestic construction firms with opportunities to advance into foreign countries, ministry officials said.

The issuance of overseas construction licenses was suspended in June 1980, when a lot of Korean construction firms began to suffer a business slump in overseas markets, especially in the Middle East. Currently, 67 domestic firms hold overseas construction licenses but only 30 of them are active in overseas construction.

The ministry expects that the overseas construction markets will grow to $200 billion in value in 1993 from $94 billion in 1988. Ministry officials say construction markets worldwide will expand further after 1993 if the ongoing Uruguay Round multilateral trade talks, scheduled to be wrapped up by the end of this year, produce an agreement on the opening of each country's construction market. The officials also predict that overseas construction orders received by domestic firms should swell to about $6 billion in 1993 from $2.4 billion last year if they are to maintain the current competitiveness abroad.

Applications for the licenses will be accepted June 18-23.

Meanwhile, the ministry plans to begin issuing local construction licenses to foreign businesses in August in preparation for the anticipated domestic construction market opening. Under the revised enforcement decree of the Construction Law which takes effect in August, foreign contractors will be given licenses automatically if they prove to be engaged in specific construction fields.

Bank of Korea Cited on 1989 Business Performance

SK0906032290 Seoul YONHAP in English 0247 GMT 9 Jun 90

[Text] Seoul, June 9 (YONHAP)—South Korean manufacturers saw business sour last year, with sales growing at their slowest rate in 11 years and profitability worsening.

According to the Bank of Korea (BOK), which surveyed 2,113 businesses including 1,586 manufacturers, the turnover of Korean manufacturers was 118.19 trillion won (166.4 billion U.S. dollars), up 7 percent from 1988. The growth rate was the lowest since 1979, when the central bank began analyzing business performances using the sampling method.

BOK attributed sluggish sales to industrial unrest, tightened restrictions by major importers, the strong won, dull exports and intensified competition by foreign businesses in domestic markets. Exports accounted for 40.95

trillion won of the total sales, down 6.2 percent from 1988, when exports grow 13.6 percent. Domestic sales increased 15.7 percent to 77.24 trillion won, compared with a 17.5-percent expansion in 1988.

Sales growth averaged 8.6 percent for large businesses, much higher than the 2 percent for small firms.

The tangible fixed asset growth rate, an indicator of facility investments, dropped 2 percentage points to 16.3 percent, the lowest since 1985.

The ratio of normal profits to net sales fell from 4.1 percent to 2.5 percent, chiefly due to sluggish sales, sharp wage hikes and increased costs, the bank said.

Despite the poor business performance, the financial structure improved, with the ratio of net worth against total assets rising from 25.3 percent to 28.2 percent, the highest level since 1979. The ratio of current assets to current liabilities, which indicates short-term payment ability, went up from 103.1 percent to 103.7 percent.

Employment costs rose 24.9 percent, but labor productivity gained only 19.4 percent, lower than 1988's 21.1 percent.

Survey Shows 'Restoration' of DLP Popularity

SK1006014890 Seoul THE KOREA TIMES in English 10 Jun 90 p 2

[From the "Press Pocket" column]

[Text] After a long period of depression, the ruling Democratic Liberal Party [DLP] is caught up in joy over the restoration of its popularity in a recent survey. DLP spokesman Pak Hui-tae made public yesterday the results of a poll conducted by Korea Gallup in which the DLP topped the four political groups in popularity, getting 36.2 percent of support from the respondents.

Spokesman Pak alleged that the opposition Party for Peace and Democracy was far behind with 19.9 percent, followed by the nascent opposition Democratic Party with 18.6 percent.

Just two months ago, the popularity of the DLP nose-dived mainly because of its fierce intra-party strife following its inauguration through the merger of the three parties. According to a poll conducted by an institute of the DLP at the time, the embryonic opposition Democratic Party was the front-runner, while only about 10 percent of respondents expressed support for the DLP.

A DLP officer ascribed the restoration of its popularity to the successful summit diplomacy of President No Tae-u.

Burma

NLD Preparing To Take Power as Mandate Nears

BK0906120890 Hong Kong AFP in English 1158 GMT 9 Jun 90

[By Michael Adler]

[Text] Rangoon, June 9 (AFP)—Burma's victorious pro-democracy party may soon move on its mandate to take over from the generals currently in power, leaders of the National League for Democracy (NLD) said here Saturday. The leaders said they have been waiting for official results from the general elections of May 27, with 250 seats in the 485-member parliament being their target.

Meanwhile, troops outside detained NLD leader Aung San Suu Kyi's house had their guard posts reinforced with sandbags this week. Diplomats described the measures as a sign of continuing tension over a transfer of power from the military to civilians. Daw Aung San Suu Kyi was detained last July after she called the ruling junta fascist but she has never been formally charged. The 44-year-old daughter of Burmese independence hero Aung San is the leader of the pro-democracy movement.

NLD officials said Saturday they had won 397 seats in a historic landslide victory in the first multi-party elections in 30 years.

The vote was seen as a rejection of military rule. It was organized under the junta, which seized power in September 1988 but promised elections once order had been restored after breaking up nationwide pro-democracy strikes. NLD Acting Chairman Kyi Maung told AGENCE FRANCE-PRESSE earlier in the week that the NLD would wait until it had 250 seats, a clear parliamentary majority, before asking the ruling junta to talk about transferring power. He said the NLD expected to be contacted first but would ask for discussions if they did not hear from the junta, the State Law and Order Restoration Council (SLORC). There have been no contacts so far, he said. "We want to meet them. We take them to be our partners in this business," said Mr. Kyi Maung, adding that this did not imply any agenda for discussions.

The SLORC has said a constitution must be written and adopted before it hands over power. SLORC officials also say the junta's role was to hold the elections and that there is no reason for them to meet the winning party.

NLD officials have said privately they have a draft constitution ready and that with a majority in the parliament having this passed should be no problem. Mr. Kyi Maung said running the country was the issue for the NLD. "It doesn't take any special purpose to understand why we entered into the elections," he said. He added that once parliament sat it would become Burma's government. "Once the assembly is instituted the SLORC naturally dies out. There can't be two supreme bodies in a state," he said.

NLD Urged To Restore 1947 Constitution

BK1006025490 Bangkok THE NATION in English 10 Jun 90 p 2

[By Yindi Loetcharoenchok]

[Text] A Burmese dissident group urged Burma's National League for Democracy (NLD) to restore the 1947 Constitution which allows all ethnic races, including the Burmans, to administer the country. "We wish to advise the NLD that in the event of the 1947 Constitution being restored, the NLD party shall constitute the national government forthwith," said the Alliance for Democracy Solidarity, Union of Burma (ADSB), headed by U Aung, son of former Burmese premier U Nu.

Under Burma's 1947 constitution drawn by the then U Nu government, all those elected to parliament have the right to introduce legislations to be approved by a national government. Representatives of all races in Burma are equally entitled to stand for the national general elections and can exercise equal rights in the national government.

In a release dated June 5, the Alliance's Secretary General U Aung also urged the representatives from the May 27 elections to "consider national solidarity, peace and the convening of a national convention as our national priorities." The convention is a forum where representatives of all races go gather to discuss national, political, economic and social interests.

The elected members should immediately assume their due responsibilities and rights, and not wait until the completion of a new constitution, which was a procedural requirement set by the Burmese military junta of Gen [General] Saw Maung, said U Aung. Only the transfer of power from the Saw Maung junta known officially as the State Law and Order Restoration Council (SLORC) would "lay the foundation for peace in Burma," he said. He added that the elected members had the right "to assign duties to the SLORC and that the SLORC does not have the right to undertake its proposed responsibilities on its own accord. "The leaders of the SLORC shall bear all the consequences for any refusal or failure on its part to fulfill its responsibilities," U Aung said.

The ADSB strongly called for the participation of Aung San Suu Kyi and Tin U, leaders of the NLD who were put under house arrest and imprisonment respectively, in all matters pertaining to national affairs arising out of mandate that their party received from the people. Aung San Suu Kyi and Tin U were both barred from contesting in the elections but unofficial poll results have shown their political party as scoring a landslide victory against the SLORC-backed National Unity Party in last month's elections held in Burma for the first time in 30 years.

Cambodia

Hun Sen Gives News Conference in Tokyo 6 Jun

BK1206084490 Phnom Penh Domestic Service in Cambodian 1300 GMT 10 Jun 90

[News conference given by Hun Sen, chairman of the Council of Ministers, foreign minister, and head of the State of Cambodia delegation in Tokyo on 6 June—recorded, with foreign correspondents' indistinct questions followed by Cambodian translation]

[Text] Ladies and gentlemen:

First of all, I would like to express warm welcome to all of you for your presence at this news conference, which takes place one day and one night after the signing ceremony. However, I believe this conference will still have some value for your publications.

Before going into the subjects to be mentioned here, I would like to take this opportunity to express my sincere thanks and admiration to the Japanese Government and the Royal Thai Government for having splendidly coordinated their actions to bring about the so-called Tokyo communique. I may say that the Japanese Government has completely fulfilled its promises. Moreover, the Japanese Government with the cooperation of General Chawalit Yongchaiyut and his colleagues has not retreated even one step from what had been agreed upon last month. That constituted an important foundation for the success of the Tokyo meeting.

By now, you ladies and gentlemen must have already learned about the manner in which the Tokyo meeting proceeded. We traveled from hope and joy to anxiety and back to joy again. Why do I say so? We started our journey with joy because when the two governments arrived in Tokyo, everyone was so optimistic about the eventual outcome of this meeting. At that time, some of you had commented on the outcome and even speculated that it might be a failure. You must have guessed the true cause that would plunge the Tokyo meeting into such gloom. It was the sabotage by Khieu Samphan, leader of the Khmer Rouge, who has done this at virtually every peace talk. He broke the promises and accords that he had made before coming to Tokyo.

The Thai and Japanese Governments, myself, and Samdech Sihanouk, as well as members of the Sihanouk government had all agreed that the Tokyo meeting would be a meeting between two governments—one led by Samdech Sihanouk and the other by myself, Hun Sen. Once here, however, Khieu Samphan tried to break away from the government of Samdech Sihanouk to become an independent party. This was an attempt to secure the right to veto for the Pol Pot clique to destroy the outcome of the peace talks.

I would like to stress that I did not object to negotiating with Khieu Samphan, as the latter claimed on 4 June. However, I could not recognize Khieu Samphan's delegation as an independent delegation outside the Sihanouk government. As a matter of fact, you must have seen that one of the four seats of Samdech Sihanouk's delegation was unoccupied. That seat belonged to Khieu Samphan. I do not understand why there was an attempt to create two or three heads of government for a single government. It must be the attempt to create a quadripartite issue. Don't they know that at the United Nations since 1982 when this coalition government was set up, members of this government could cast only one vote or speak in one voice. Why then in Tokyo did they want to cast three votes? This is certainly an attempt to sabotage the meeting. It shows the mistrust a vice president has for his president, namely Samdech Sihanouk.

In 1982 when the Khmer Rouge seat at the United Nations was shaken and threatened, efforts were made to seek Sihanouk's help to maintain this seat by establishing a coalition government and making Samdech Sihanouk the head of state. Here it seems they no longer trust Sihanouk, because they did not want him to sign alone.

Before departing Phnom Penh, I declared that the Khmer Rouge should not mistake Sihanouk's signing of any agreement with the Phnom Penh government to mean their expulsion from the solution, for they are also members of the Sihanouk government. In fact, a seat has been reserved for Khieu Samphan to sit with the head of his government.

This is what I called the stage of worries. However, at the end, we returned to the stage of joy, for there were only two choices for us: either to let the Khmer Rouge be the obstacle that completely destroys the entire Tokyo talks, or to go on with the signing of the agreement between Sihanouk and Hun Sen, who are in reality the heads of the two governments, without the consent of the Khmer Rouge. Both Samdech Sihanouk and myself agreed on the second choice, that is, to sign the agreement only between the two of us. That was the outcome of the significant efforts made by Japan, the Thai delegation, Samdech Sihanouk, and our side.

I regard the signing of the Tokyo joint communique between myself and Samdech Sihanouk as an undeniable success. Samdech Sihanouk characterized it as a half moon or a 50-percent success. As for me, I regard it as a full moon partly hidden by some clouds. But the clouds can drift away and the moon can come out shining fully. It is like a fully-developed baby waiting only to be delivered. Why do I dare say so? It is because in all the meetings in the past two years, there had never been any specific agreement or joint communique like this time. Only the Tokyo communique has clearly specified agreement on many points, including the formation of a national council linked to a cease-fire.

The clouds that cover the moon are the obstacle created by the Khmer Rouge. However, this agreement, this joint communique, does not close its door to the Khmer Rouge. Whenever the Khmer Rouge realize that the Tokyo joint communique is beneficial to the Cambodian people or to the Khmer Rouge themselves, they can join it at any time. They can join without having to sign it. This is because Samdech Sihanouk has already signed it. At whatever meeting, Samdech Sihanouk always remains the head of the Khmer Rouge government.

When will the clouds drift away? No one knows for sure. Therefore, I would like to present my prediction and what should be done next. The most important point rests on the goodwill of the Cambodian factions, on whether they are or are not sincere in implementing the agreement. There are three possibilities in the future.

The first possibility is that the Khmer Rouge might see that the Tokyo communique is also useful for them; they would therefore declare their decision to join the Tokyo communique. In that case, they will join in forming the national council, and when the national council begins its first meeting, the cease-fire will be observed by all Cambodian factions. This is the best possibility that should be realized.

The second possibility is that the Khmer Rouge will persist in rejecting the Tokyo communique, and Samdech Sihanouk together with the remaining members of his government will join with us in forming the national council and begin its first meeting without the participation of members from the Khmer Rouge group. In that case, the cease-fire will be observed only between the forces of the Phnom Penh government and the Sihanouk and Son Sann forces, while the Khmer Rouge will continue fighting.

The third possibility is that Samdech Sihanouk might not have political courage and independence. Consequently, the Tokyo communique would not be implemented and the national council would not be formed. In that case, fighting will continue. If this is so, the Tokyo joint communique will become meaningless because of sabotage by the Khmer Rouge and because Samdech Sihanouk, a signing party, refuses to implement it.

This is why during this morning's [6 June] meeting with His Excellency Prime Minister Kaifu of Japan, I proposed that he cooperate with the Royal Thai Government in seeing to it that the Tokyo joint communique is implemented fully. This is the biggest test of the goodwill of the Cambodian people and of the countries involved in the search for a solution to the Cambodian question. As far as our State of Cambodia is concerned, I solemnly declare at this moment that we will correctly and sincerely implement whatever we have agreed upon.

Before departing Phnom Penh, I met with the defense minister and the chief of the General Staff. At that time, we projected that a cease-fire agreement might go into effect as of 10 June. Therefore, we issued an order saying that if the cease-fire agreement goes into effect on 10 June, we must implement a cease-fire as of that day. I made this plan before leaving Phnom Penh because I wanted the cease-fire agreement to go into effect as soon as possible. However, since we have now agreed that the cease-fire will be implemented simultaneously with the first meeting of the national council, I must issue a new order. This new order will also strictly abide by whatever we have agreed upon in Tokyo.

In the same spirit, I would like to call on the Cambodian National Government headed by Samdech Sihanouk to effectively implement this agreement and to persuade other members of that government, namely the Khmer Rouge, to join in implementing the provisions of the peace communique in Tokyo.

At the same time, I propose here that China, Thailand, and Vietnam actively participate in putting an end to the war in Cambodia by supporting the Tokyo joint communique and guaranteeing the agreements to be implemented. Before the Cambodian problem is settled through a comprehensive solution guaranteed by the Paris international conference or the United Nations, I hope the Tokyo joint communique and a number of agreements related to this cease-fire will be guaranteed by Vietnam, China, and Thailand. If China refuses to commit itself, I earnestly propose that the Royal Thai Government and the SRV Government guarantee whatever has been agreed upon here. Thailand and Vietnam are two countries adjacent to Cambodia. It is of paramount importance that these two countries guarantee the agreements in order to end the Cambodian conflict.

At the same time, I earnestly beg Samdech Norodom Sihanouk, who heads the other government, to join me in convening the first meeting of the national council as soon as possible in order to set the earliest deadline for the cease-fire to go into effect. Likewise, I appeal to the co-chairmen of the Paris conference to reconvene the Paris international conference as soon as possible, particularly its First Commission, in order to concentrate discussion on the cease-fire, the cessation of military aid, and international control so as to create conditions for the final solution: free elections in Cambodia.

I would like to end my explanation here and thank all of you, ladies and gentlemen, for your attention.

[Correspondent] Excellency, I represent the newspaper THE NATION. The Khmer Rouge are to be represented in this supreme national council. Does this mean you have changed your mind regarding the Khmer Rouge genocide? You have regarded the Khmer Rouge as being guilty of genocide, so what right do they have to be included in an institution that is supposed to symbolize the sovereignty and neutrality of Cambodia?

[Hun Sen] Our stance remains unchanged in that we resolutely oppose the return of the genocidal regime. However, one should not mistake the rejection of the return of the genocidal regime to mean that the Khmer Rouge are eliminated from a political solution. This point should be clearly understood. On the one hand, we are resolute in not allowing the return of the genocidal regime; on the other, there must be no misunderstanding that we reject the Khmer Rouge from a solution.

Certainly, we do not recognize the legitimacy of the genocidal Pol Pot gang. However, we recognize that there are two governments in Cambodia: the State of Cambodia and the Government of Democratic Kampuchea, now known as the Cambodian National Government of Samdech Sihanouk. As for how many parties Samdech Sihanouk's government consists of, it is Samdech Sihanouk's business. As for which six people he will have to pick to take part in the National Council, it is also Samdech Sihanouk's business. I hope you understand what I mean in my answer.

[Correspondent] I represent KYODO. Mr. Prime Minister used to say that eight Khmer Rouge chieftains must be excluded from the future of Cambodia, and you even gave names. Now we have received some reports from Thailand that Samdech Sihanouk has in mind Khieu Samphan and Son Sen for the so-called list of his vice chairmen. Please comment.

[Hun Sen] Our stance regarding the eight undesirables remains unchanged. But you must clearly understand the way they must be eliminated. We are talking about a political solution. If we talk about a political solution, it means that we talk about the people's right to self-determination in free elections. Therefore, the fate of these eight individuals should be determined by the people through elections. Our stance regarding these eight persons remains unchanged in this process. However, should they be recognized and elected by the people, it would be the people's choice and we would respect it. This is what we call elimination in the political solution. It is the right of the Cambodian people.

[Correspondent] I am [name indistinct] of THE NEW YORK TIMES. Mr. Prime Minister, in Tokyo, Japan has received you like a government it recognizes, while most Western governments have yet to give you recognition. At the same time, you have achieved an agreement to create the supreme national council without the participation of the Khmer Rouge. Here is my question. First, what specific value does this agreement have without the participation of the Khmer Rouge? Second, will there be any possibilities for peace in Cambodia without the participation of the Khmer Rouge? Third, will a cease-fire be possible without the participation of the Khmer Rouge? Fourth, will you be able to organize elections without the participation of the Khmer Rouge?

[Hun Sen] I have already informed you of the three possibilities for implementation. There is the possibility that the Khmer Rouge might join the peace process. This would be the best thing. There is the possibility that only the party of Samdech Sihanouk and the other government member, Son Sann, will join the Phnom Penh government without the Khmer Rouge. The worst possibility is that both the Khmer Rouge and Samdech Sihanouk will not join. The problem, though, is whether we should allow the Khmer Rouge to continue the sabotage, or should we implement the Tokyo statement. This, nevertheless, depends on the attitude of China and Thailand. The Khmer Rouge cannot survive without the assistance of China that transits through Thai territory.

Now we have clearly seen that both the Chinese and Thai Governments want an early cease-fire in Cambodia. The question now is whether Thailand will pressure the Khmer Rouge or vice versa. If China really wants peace, too, will China pressure the Khmer Rouge or vice versa? If China and Thailand pressure the Khmer Rouge, the interests of the Khmer Rouge, China, or Thailand would not be adversely affected. On the contrary, all will make great gains: a peaceful Cambodia very friendly to both China and Thailand.

I am confident that the Royal Thai Government, and especially His Excellency Chatchai and His Excellency Chawalit, really want peace for Cambodia. The genocidal gang must not be allowed to continue torpedoing the peace process; that would lead to countless loss of life among the Cambodian people.

[Correspondent] I represent the BBC. Past arguments of the Khmer Rouge and their supporters are that when they put pressure on you both militarily and diplomatically, your stance would always become more flexible. It has been noticed that your stance this year is different from last year. For this reason, they put pressure on you everywhere, such as at the Paris conference. Consequently, they refused to take part in this agreement to pressure for more concessions from you. What is your comment?

[Hun Sen] The attempt to put military pressure on the Phnom Penh government to get political concessions has been wishful thinking. They tried to topple us just two months after the withdrawal of the Vietnamese troops; seven months later, we are still in power. The Khmer Rouge speculation to put military and political pressure on the Phnom Penh government was a miscalculation. Politically speaking, the pressure has now been shifted toward demanding the prevention of the Pol Pot regime's return. Here in Tokyo, it is known to all that the Khmer Rouge are the ones who have sabotaged the meeting. They will certainly get no results if they attempt to seize military supremacy in order to gain political concessions.

[Correspondent] [Words indistinct] I speak for KYODO news. Mr. Prime Minister, the Cambodian seat at the United Nations is now occupied by the government of Samdech Norodom Sihanouk. However, concerning the formation of the supreme national council, the joint communique says this council will symbolize Cambodia's sovereignty. Consequently, will the seat at the United Nations be declared vacant at the same time the supreme national council is created, or through any other means, until a new government is formed through UN-supervised elections?

[Hun Sen] Our position regarding the United Nations is conditional as follows: We accept a role for the United Nations only when the United Nations stops recognizing just one side. On this question, we have proposed two formulas since the beginning of the year to resolve the question of the UN Cambodian seat. Either this seat is left vacant in order to open the way for the United Nations to play a role in solving the the Cambodian problem ... [sentence interrupted by following question]

[Correspondent] Mr. Prime Minister, I would like to know your reaction to a question a little different from your interpretation, from what you have already stated. I have learned that there was at first a draft document called quadripartite before you came to Tokyo. The first draft was believed to be a little different from the final one, and it was learned that the Khmer Rouge were prepared to sign the original draft but not the latest one. Therefore, should the Khmer Rouge sign the unmodified draft, what better results will you get? What results better than the ones in Jakarta, Paris, or here? I would like to know your reaction.

[Hun Sen] To my knowledge, Gen. Chawalit had separate talks with me and with the other government, and there were separate minutes of the meetings. The question is not whether there has been a change here from four parties to two parties. I have learned that when His Excellency Chatchai visited Tokyo, he and His Excellency Kaifu discussed the meeting between Sihanouk and Hun Sen, who represent only two governments.

SPK Criticizes PRC Support for Khmer Rouge

*BK1206063690 Phnom Penh SPK in English
0521 GMT 12 Jun 90*

["China Objects to Cambodian Peace Process"—SPK headline]

[Text] Phnom Penh SPK June 12—While the world public is acclaiming Tokyo Joint Communique signed by Premier Hun Sen and Prince Norodom Sihanouk on June 5, China has shown its objection to the prevailing process of solving the Cambodian conflict by political means.

Chinese Assistant Foreign Minister Xu Dunxin, in a recent interview with Chinese reporters in Bangkok, said China supported the boycott by the Khmer Rouge of the Tokyo meeting between Prime Minister Hun Sen and Prince Norodom Sihanouk.

By so doing, China has again revealed its intention to continue the war in Cambodia thus prolonging the bloodshed and sufferings of the Cambodian people through the Polpotists faction long notorious for their crime of genocide.

So far, many countries have closely followed China's attitude towards the Cambodian settlement, especially whether the Chinese ruling circles, by accepting something detrimental to their prestige on the international arena, will continue to foster the Khmer Rouge.

The "full moon is shining but overshadowed by some clouds." It is regrettable that China is unwilling to help blow the clouds away from the shining full moon, and that it wants the moon set.

Real and durable peace will never come to the Cambodian people as long as China continues to give the greenlight to the Khmer Rouge Polpotists in their boycott of the Tokyo communique.

One wonders whether the UN Security Council at its forthcoming meeting in Paris on July 9 allow China to block the peace process in Cambodia.

Sihanouk Designates Delegates to Supreme Council

*BK0906085590 (Clandestine) Voice of the Khmer
in Cambodian 0430 GMT 9 Jun 90*

[Text] According to a report from the Office of the Personal Representative of Samdech Preah Norodom Sihanouk in Cambodia and Asia, Samdech Preah Norodom Sihanouk has designated three representatives of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia [FUNCINPEC] as members of the supreme national council [SNC], which will be established soon. According to this report, Samdech Preah Norodom Sihanouk appointed these representatives on Friday [8 June] after an agreement was reached on the formation of the SNC with the participation of all Cambodian factions. These three FUNCINPEC representatives to the SNC are:

1. His Royal Highness Prince Norodom Ranariddh, secretary general of the FUNCINPEC and commander in chief of independent Cambodia's National Army;
2. His Excellency Chau Sen Kosal-Chhum, member of the FUNCINPEC and former president of the National Assembly of the Kingdom of Cambodia; and
3. His Excellency Duong Sam-ol, member of the FUNCINPEC and former minister in the Royal Government of the National Union of Kampuchea.

The Tokyo agreement reached between Samdech Preah Norodom Sihanouk and Hun Sen on 5 June defined that the SNC be composed of 12 members—six from the Heng Samrin regime and six others from the Cambodian national government. The six members from the Cambodian national government consist of two representatives each from the FUNCINPEC, Khmer People's National Liberation Front, and Democratic Kampuchean group.

However, since the Democratic Kampuchean group had refused to attend the Tokyo meeting, it is still not known whether this group will join the SNC or not. If the Democratic Kampuchean group does not designate its representatives to the SNC, the two noncommunist factions will have to appoint three representatives each to the SNC.

VONADK Says East Europe, USSR Cut Aid

BK0906022090 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 8 Jun 90

[Text] According to various foreign sources:

1. East Germany has ceased all its aid to the Vietnamese puppet regime in Phnom Penh.

2. Czechoslovakia has ceased all its aid to the Vietnamese puppet regime in Phnom Penh.

3. Bulgaria has ceased all its aid to the Vietnamese puppet regime in Phnom Penh.

4. Hungary has ceased all its aid to the Vietnamese puppet regime in Phnom Penh.

5. Poland has ceased all its aid to the Vietnamese puppet regime in Phnom Penh, leaving only two officials conducting research on Angkor Wat.

6. The Soviet Union has stopped providing spare parts for machines that it has given to the Vietnamese puppet regime in Phnom Penh over the past 10 years. Many of these Soviet-aided machines are useless due to a shortage of spare parts.

7. The Soviet Union has stopped sending fuel oil to the Vietnamese puppet regime in Phnom Penh; thus this regime has suffered from serious shortage of fuel oil.

8. The number of Soviet officials and agents acting as advisers and experts in assisting the Vietnamese puppet regime in Phnom Penh has been cut down from over 2,000 men to only 900.

9. According to additional reliable reports, the Vietnamese enemies and their puppets have reduced the number of their administrative officials and agents by the tens of thousands, having no budgets for their salaries because East European countries have ceased all their aid and the Soviet Union has cut down most of its aid. Moreover, it is because sources of supply in the country, such as fishery, forestry, grain, paddy, and other crops, have become scanty since the majority of the countryside has fallen into the hands of the national resistance forces.

Therefore, all fraternal people, civil servants in the puppet regime, and Cambodian soldiers who have been forced to serve the Vietnamese war of genocide against Cambodia should grasp this new situation and quickly desert the Vietnamese enemies and their puppets. The national resistance forces and guerrillas in all areas should also grasp this new situation so as to be able to implement your tasks accordingly in a timely manner and with mastery.

VONADK Reports Removal of SRV Commanders

BK1206014290 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 11 Jun 90

[Text] In mid-May, Vietnamese and Cambodian puppet soldiers in Phnum Srok District seat were in a serious rift. This is because Vietnamese commanders in the puppet army unit continued to force puppet soldiers to fight against national resistance forces. These demoralized puppet soldiers did not dare go out and fight. Instead, they bickered and fired at each other. Both sides suffered some casualties.

Following this event, the Vietnamese commanders on the Cambodian battlefield decided to remove and jail a number of Cambodian puppet commanders in Battambang Province and Phnum Srok District, including a puppet commander with the rank of general named (Khan Sovan). This event is further proves that the longer the Vietnamese enemies continue their aggression against Cambodia, the more serious defeats they suffer.

Laos

PASASON Carries Text of Draft Constitution

BK1006101190 Vientiane PASASON in Lao 4 Jun 90 pp 1-3

["Draft Constitution of the Lao People's Democratic Republic"—PASASON headline]

[Text]

Introduction

The multiethnic Lao people have survived and developed in this beloved land for thousands of years. More than six centuries ago, during the time of Prince Ngeum, our ancestors established the unified Lan Xang country and built it into a prosperous country.

Since the 18th century, the Lao land had been repeatedly threatened and invaded by various outside powers. The multiethnic Lao people had promoted and expanded the heroic and resolute traditions of their ancestors and continually fought persistently to gain the independence and freedom for the nation.

Over the past more than 60 years, under the correct leadership of the former Indochinese Communist Party and the present Lao People's Revolutionary Party [LPRP], the multiethnic Lao people had heroically carried out a difficult struggle until they crushed the yokes of domination and oppression of the colonialists, imperialists, and feudalists, completely liberated the country, and established the LPDR [Lao People's Democratic Republic], thus ushering in the new era—an era of the building and development of the Lao fatherland and an era in which the multiethnic Lao people genuinely maintain the rights of being owners of the country.

In this new period, the multiethnic Lao people have been jointly implementing the two strategic tasks of defending the country and building a new life, thereby scoring satisfactory achievements in an initial stage. However, following the establishment of a new state under the popular democratic system, the social life now requires a constitution.

The constitution to be promulgated is the first constitution of our country under the popular democratic system and reiterates the past achievements of the revolution and the objectives to be fulfilled, namely peace, independence, democracy, unification, and prosperity of the country. The constitution is the juristic act in the new stage of the history, conforms to the objective laws, and reflects the intentions and aspirations of the multiethnic Lao people.

Chapter I

Political System

Article 1. The Lao People's Democratic Republic is a popular democratic state under the leadership of the LPRP.

Article 2. The LPDR is an independent, sovereign, and unified country with territorial integrity covering both airspace and territorial waters; belongs to the multiethnic people; and is indivisible.

Article 3. All powers in the LPDR belong to the multiethnic people of all strata and social status, namely workers, farmers, craftsmen, small proprietors, traders, national capitalists, and intellectuals. Among them, workers, farmers, and revolutionary intellectuals are regarded as the key elements.

Article 4. The people's power is exercised through the system of the representative organs and bodies of the state power, which is composed of the Supreme People's Assembly [SPA] and the local people's councils at all levels.

Article 5. The elections of the people's representatives to the SPA and local people's councils at all levels shall be carried out through general, impartial, direct, and secret balloting.

Voters have the right to propose the dismissal of representatives they have elected on the grounds of misconduct and untrustworthiness.

Article 6. The SPA, local people's councils, and other state organizations are established and function in conformity with the principle of democratic centralism.

Article 7. The fundamental essence of the popular democratic system is the enhancement of the people's right to mastery. All state organizations and cadres are required to popularize and propagate policies, regulations, and laws and together with the people organize their implementation so as to guarantee these legitimate rights and interests. All acts of bureaucratism and harassment that can be physically harmful to the people and detrimental to their lives and property are prohibited.

Article 8. The Lao Front for National Construction, the Lao People's Revolutionary Youth Union, the Federation of Lao Women's Union, and other mass organizations function in accordance with their own rules and regulations, rally, unite, and mobilize the people of all strata and ethnic tribes on the basis of the worker-farmer alliance. This is to implement state policies, regulations, and laws and to turn the LPDR into a peaceful, independent, unified, and prosperous country.

Article 9. The state implements the policy of unity in line with the principle of equality among ethnic tribes. All acts of sowing discord and racial discrimination are prohibited. All ethnic tribes have the right to safeguard and promote their fine customs and cultures. The state impartially implements every measure to upgrade the economy, education, culture, and social welfare of all ethnic tribes on the plains and in mountainous regions.

Article 10. The state protects all lawful activities of Buddhist monks and novices as well as the followers of other religions. All acts of discrimination against religious groups or classes of people are prohibited.

Article 11. The state manages society by the provisions of the Constitution and laws. All party, state, and mass organizations and citizens must observe the provisions of the Constitution and laws.

Article 12. The LPDR implements the policies of national defense and maintenance of public security. The Armed Forces must be loyal to the country and people and protect and safeguard the fruits of the revolution, and the lives and peaceful labor of the people.

Article 13. The LPDR pursues the foreign policy of peace, independence, friendship, and nonalignment; promotes friendly relations and cooperation with all countries on the basis of the five principles of peaceful coexistence: respect for each other's independence, sovereignty, and territorial integrity; non-interference in each other's internal affairs; equality; mutual interest; and persistent support for the world peoples' struggle for peace, national independence, democracy, and social progress.

Chapter II

Socioeconomic System

Article 14. The central objective of the economic policy is to transform the natural economy into a goods economy, aimed at developing production and improving the material and spiritual life of the multiethnic people.

The state pays attention to developing production forces on the basis of implementing the agricultural-forestry, industrial, and services economic structure; expanding communications and transport work; and vigorously utilizing trade with a view to developing the foundation of the national economy.

The state promotes economic relations with foreign countries based on the principle of respect for each other's independence and mutual benefits.

Article 15. The state safeguards and enhances all forms of state, collective, and individual ownership; the private ownership of both domestic and foreign capitalists who have invested in Laos; and the ownership in partnerships between the state and other economic sectors as well as among the various economic sectors.

The state promotes the relations between the various economic sectors and the state under the form of state capitalism. The state protects the right and freedom of competition and equality undertaken under the laws among the various economic sectors.

Article 16. The state protects the right of ownership and the rights in utilizing, transferring, and inheriting property of organizations and individuals. Land ownership belongs to the national community, which is represented by the state. The state guarantees the right of utilizing land, including the rights of inheriting and transferring it to other persons for legal use.

Article 17. The state has a policy of managing the economy in accordance with the mechanisms created by the extensive application of the goods-money relations by linking planning with the markets, implementing the principle of democratic centralism, increasing the efficiency of the socioeconomic sector, and harmoniously combining the state and collective interests with individual interests.

Article 18. All offices, organizations, and citizens must protect the environment, forests, including all animals, water sources, and land.

Article 19. Educational and cultural movements are aimed at heightening the sense of patriotism and love of the popular democratic system, strengthening unity among the multiethnic people, and holding aloft the sense of and the capability in being the owners of the country. They are aimed at enhancing fine traditional national culture, combining it with the progressive culture of the world, and rectifying all negative phenomena in the cultural and ideological spheres.

The state implements a policy of taking education one step ahead and linking it with the building of the new society, and cooperating with the people in building schools at all levels so as to turn education into a comprehensive system. The state pays particular attention to developing education in areas where ethnic people reside; vigorously promotes cultural, artistic, and literary movements; and expands the mass media network to mountainous regions and remote areas.

Article 20. The state pays attention to expanding public health services; expanding acrobatic, sports, and tourism work; and taking care of disabled combatants, the families of persons who sacrificed their lives for the country, the families of soldiers, pensioners, and the families of those persons who have committed virtuous deeds toward the revolution, and the policy on mothers and children.

Chapter III

Fundamental Rights and Obligations of Lao Citizens

Article 21. All Lao citizens are equal before the law. All Lao citizens 18 years of age and over, regardless of their gender, social status, education, faith, or ethnic tribe have the right to vote and stand for election at the age of 21 and over unless they are insane, suffer unsound mind, or have their rights to vote and stand for election revoked by a court.

Article 22. Men and women are equal in all aspects, namely politics, economy, culture, and social and family affairs.

Article 23. Lao citizens have the right to work and engage in occupations not contrary to the law. Laboring people are entitled to respite and material assistance in old age, in time of ailment, in cases of incompetence and disability, and other cases as stipulated by law.

Article 24. Lao citizens have the right to lodge petitions, grievances, and recommendations with state organizations in connection with both collective and individual interests. Such petitions, grievances, and recommendations must be considered and corrective actions taken as stipulated by law.

Article 25. The rights of Lao citizens in their bodies and domiciles are inviolable. Lao citizens cannot be arrested or searched without warrant or approval from authorized organizations or legal justification.

Article 26. Lao citizens have the right to profess or not to profess any religion and the freedom of speech, press, and assembly. Lao citizens have the right set up associations and stage demonstrations in a lawful manner. All Lao citizens have the right to study and apply sciences and technologies, create artistic and literary works, and engage in cultural activities.

Article 27. The legitimate rights and interests of [Lao] citizens in foreign countries are protected by the LPDR.

Article 28. All Lao citizens are obliged to respect the Constitution, laws, labor regulations, social order, regulations of social life, and pay taxes according to the law.

Article 29. All Lao citizens must fulfill their sacred obligations in defending their country and public security and with the sense of responsibility perform military service as prescribed by law.

Article 30. Rights and freedom of aliens and those who have no nationality are also protected by the provisions of Lao law. They have the right to lodge complaints with courts and various organizations of the LPDR to defend their personal rights, property, families, and other rights.

The LPDR grants the right to seek asylum to foreigners being suppressed for their struggle for freedom, justice, peace, and scientific causes.

Aliens and people of other nationalities must abide by the provisions of the Constitution and laws of the LPDR.

Chapter IV

The Supreme People's Assembly

Article 31. The SPA is the highest representative organ of the people and the supreme body of the state power in charge of law enactments and controlling every movement of the state and society.

Article 32. The SPA has the following powers and duties:

1. To enact and amend the constitution;
2. To enact, amend, and abolish various laws;
3. To supervise the enforcement of the Constitution and laws;
4. To approve the state's socioeconomic development and budget plans;
5. To elect and remove the chairman, vice chairman, and members of the SPA Standing Committees; the president of the state; the chairman and members of the Council of Ministers; the chairman of the SPA; and the chief public prosecutor;
6. To appoint the commissions attached to the SPA;
7. To establish and abolish ministries and state commissions as proposed by the Council of Ministers;
8. To establish the boundaries of provinces and municipalities and to set up new provinces or zones under the management of the center;
9. To fix, amend, and abolish taxes;
10. To decide on general amnesty;
11. To decide on questions of war and peace;
12. To ratify or abolish international treaties as proposed by the Council of Ministers;
13. All rights and duties as stipulated by the SPA [as published].

Article 33. The tenure of the SPA is five years. The election of the new SPA must be held no later than two months prior to the expiration of the term of the incumbent SPA.

In time of war or in any event that obstructs the election, the SPA may extend its term but must organize the election not later than six months after the situation returns to normal.

Article 34. The SPA convenes its first session within two months following its internal election.

The SPA convenes two ordinary sessions per year. The SPA Standing Committee calls for such sessions.

An extraordinary session of the SPA can be proposed by the SPA Standing Committee or by two-thirds of the SPA members.

Article 35. The SPA session is legal only with the presence of more than half of the total number of the SPA members.

Article 36. The organizations that have the right to propose draft laws are as follows:

1. The SPA Standing Committee;
2. The commissions attached to the SPA;
3. The Council of Ministers;
4. The Supreme People's Court and People's Judiciary Institute;
5. Mass organizations at the central level.

Article 37. Laws and resolutions of the SPA are valid only after they are voted for by more than half of the total number of the SPA members present at each meeting, unless the Constitution is amended as prescribed in Article 73.

The promulgation of laws must be made not later than 30 days after the SPA endorsement.

Article 38. The tenure of the SPA Standing Committee is equal to that of the SPA.

The SPA Standing Committee has the following duties:

1. To fix the date for each SPA session;
2. To call for the SPA sessions;
3. To interpret and provide explanation for the provisions of the Constitution and various laws;
4. To issue decrees;
5. To sound out the opinions of the general public;
6. To follow and inspect the performances of the Council of Ministers, Supreme People's Court, People's Judiciary Institute, and local people's councils;
7. To correct, abolish, or suspend the juristic activities of the Council of Ministers and local people's council if they are deemed contradictory to the Constitution and existing laws;
8. To appoint or remove deputy judges and judges of the Supreme People's Court and deputy chief public prosecutors;
9. To appoint or remove the plenipotentiary representatives of the LPDR to foreign countries;
10. To ratify or abolish agreements signed with foreign countries unless the SPA Standing Committee deems it necessary to propose them to the SPA to do so;
11. To consider promotions for military and police officers at the rank of colonel and above, as well as diplomatic cadres working abroad;
12. To decide general amnesty;
13. To decide granting or revoking of Lao nationality;
14. To decide on the conferment of the state victory medals, commemorative medals, and titles;
15. To decide on the conferment of the national gold medal;
16. To decide general or partial military conscription;

17. To declare war in case of the country's facing aggression while the SPA is in recess;
18. To exercise other rights and execute other duties defined by the SPA.

Article 39. The chairman of the SPA Standing Committee is the chairman of the SPA, who is charged with directing and supervising all sessions of the SPA and representing the SPA in carrying out duties on promoting internal and foreign relations.

Article 40. The SPA creates its own commissions to carry out the duties of studying and considering draft laws, draft statutes, draft decrees, draft plans, budgets, and other issues as assigned by the SPA or the SPA Standing Committee and to assist the SPA and the SPA Standing Committee in exercising their rights of supervision of work under the scope of their responsibilities.

If it deems necessary, the SPA may appoint an ad hoc commission to execute a particular task.

Article 41. Members of the SPA have the right to interpellate the Council of Ministers or members of the Council of Ministers, the chairman of the Supreme Court, and the chief prosecutor of the People's Judiciary Institute. All organizations or persons interpellated must give answers at the SPA sessions.

Article 42. Members of the SPA cannot be prosecuted in court or be detained without the approval of the SPA or of the SPA Standing Committee during the two sessions of the SPA.

In cases involving immediate and urgent offenses, the organization detaining SPA members must report to the SPA or the SPA Standing Committee for consideration and decisions concerning them.

Chapter V

President of State

Article 43. The President of State who is elected by the SPA is the Chief of State of the LPDR and the representative of the multiethnic Lao people both at home and abroad.

Article 44. The tenure of the President of State is equal to the tenure of the SPA.

Relying on decisions made by the SPA or the SPA Standing Committee, the President of State declares the implementation of laws and statutes; gives ratification to treaties signed with foreign countries; appoints and recalls plenipotentiary representatives of the LPDR to and from foreign countries; approves the plenipotentiary representatives of foreign countries accredited to the LPDR; issues decrees on the conferment of national gold medals, awards, and the highest victory medals of the LPDR; announces pardons and amnesty; declares the state of war; and issues orders on general or partial conscription.

Chapter VI

Council of Ministers

Article 45. The Council of Ministers is the government of the LPDR. It is the highest working and administrative organization of the highest organ of state power.

The chairman of the Council of Ministers is elected by the SPA.

The Council of Ministers manages in a unified manner the execution of the duties of state in the political, economic, cultural, social, national defense, and public security maintenance fields and external affairs.

The Council of Ministers is responsible for and reports its activities to the SPA. During the interval of the two sessions of the SPA, it must report them to the SPA Standing Committee.

The tenure of the Council of Ministers is equal to the tenure of the SPA.

The Council of Ministers is composed of:

—the chairman of the Council of Ministers;
—the vice chairmen of the Council of Ministers;
—the ministers and chairmen of state committees.

Article 46. The Council of Ministers has the following rights and duties:

1. To ensure the implementation of the Constitution and laws;
2. To propose draft laws and statutes to the SPA and the SPA Standing Committee;
3. To design socioeconomic development plans and state budgets to be submitted to the SPA for approval;
4. To organize, guide, and supervise the implementation of the socioeconomic development plans and state budgets;
5. To guide and supervise the activities of all ministries and organizations attached to the Council of Ministers;
6. To protect the lawful interests of citizens and to create conditions for all citizens to fulfill their obligations;
7. To ensure peace and happiness for the country and order for society;
8. To organize national defense among the entire masses and to build the people's Armed Forces;
9. To sign agreements with foreign countries in the name of the LPDR;
10. To guide and supervise the activities of the local administrative committees;
11. To define the boundaries of all districts;
12. To change or revoke all decisions, instructions, announcements, and releases of all ministries, state committees, and other organizations attached to the Council of Ministers when they are considered to be incompatible with the law;
13. To change or revoke decisions, instructions, announcements, and releases of the local administrative committees when they are considered to be incompatible with the law;

14. To suspend the implementation of the decisions reached by the provincial and municipal people's councils when they are considered to be incompatible with the law and to recommend that the SPA modify or revoke such decisions.

Article 47. The Council of Ministers is the body that issues decrees, resolutions, instructions, and releases for which implementation is imperative throughout the country.

Article 48. The chairman of the Council of Ministers guides the work of the Council of Ministers and represents the Council of Ministers in guiding the work of all ministries, state committees, other organizations attached to the Council of Ministers, and the administrative committees at all levels.

The chairman of the Council of Ministers issues decrees, resolutions, instructions, and releases for organizing the execution of the said work.

The vice chairmen of the Council of Ministers are the assistants in the work of the chairman of the Council of Ministers. In his absence, the chairman of the Council of Ministers will delegate his authority to one of the vice chairmen, who will act on his behalf.

Article 49. All ministers and chairmen of state committees supervise the services or spheres of work throughout the country.

Ministers and chairmen of state committees rely on the Constitution and the laws, plans, policies, resolutions, and instructions of the Council of Ministers in outlining decisions and actual regulations and in recommending detailed methods for organizing their implementation in the services or spheres of work under their responsibilities.

Chapter VII

Local People's Councils and Administrative Committees

Article 50. The territory of the LPDR is divided into provinces and municipalities. The provinces and municipalities are divided into districts.

The districts are divided into villages.

Provinces, municipalities, and districts have their own people's councils.

Article 51. Local people's councils are organs of state power in the localities.

Local people's councils decide on issues regarding economic and cultural development, ensure political tranquillity and social order in the localities, protect the peaceful life of the people, and carry out the roles and duties assigned by the next higher organs.

Article 52. Local people's councils have the following rights and duties:

1. To ensure the implementation of the Constitution and laws in the localities;
2. To elect or to remove from positions the administrative committees and judges of the people's courts at the same levels;
3. To follow the activities of the administrative committees and the people's courts at the same levels and of the people's councils at the lower levels;
4. To endorse the establishment or abolishment of working bodies as proposed by the chairmen of the local administrative committees;
5. To map out the socioeconomic development plans and budgets of the localities and to supervise the implementation of these plans;
6. To change or revoke decisions found to incompatible with the law which were made by the administrative committees at the same level or by the people's councils at the lower levels;
7. To protect the legitimate interests of the citizens and to ensure that citizens are able to exercise their rights and to fulfill their obligations;
8. To consider and resolve the petitions, complaints, suggestions, and recommendations of the people within the scope of their rights and authorities specified by law.

Article 53. The tenure of the provincial and municipal people's councils is five years and the tenure of the district people's councils is two and a half years.

Article 54. The local administrative committees are the standing organs of the local people's councils as well as the working organs of the people's councils and state administrative organs in the localities.

The local administrative committees are responsible for and report their activities to the people's councils at the same levels and report to or seek approval for their activities from the administrative organs at the next higher level.

A local administrative committee is composed of a chairman, one or more vice chairmen, and a number of members.

The tenures of the local administrative committees are the same as those of the people's councils at the same levels.

Article 55. The local administrative committees have the following rights and duties:

1. To organize the execution of resolutions and recommendations of the people's councils at the same levels;
2. To organize the execution of all duties outlined by the higher levels and to ensure the strict implementation of the Constitution and laws;
3. To direct and supervise the activities of all working bodies under the scope of their responsibilities;
4. To summon meetings of the people's councils at their own levels;
5. To design local socioeconomic development plans and budgets to be submitted to the people's councils at their own levels for approval;

6. To organize, guide, and supervise the implementation of local socioeconomic development plans and budgets;
7. To change or revoke the decisions, instructions, recommendations, and releases of any working body under their own control or of the administrative committees at the lower levels when they are deemed to be incompatible with the regulations and laws;
8. To suspend the implementation of resolutions adopted and recommendations made by the local people's councils at the lower levels when they are deemed to be incompatible with the regulations and laws and to propose to the people's councils at their own levels to change or to revoke them;
9. To review and resolve the petitions, complaints, and recommendations made by the people within the scope of their rights and authorities specified by law.

Chapter VIII

The People's Courts and People's Judiciary Institute

A. The People's Courts

Article 56. The people's courts constitute the LPDR's judicial organization comprising the Supreme People's Court, local people's courts, and military courts. These courts are empowered to conduct trials of cases.

Article 57. The people's courts are established on the basis of the election of judges and public arbitrators by the local people's councils.

The local people's councils elect [the judges and public arbitrators of] the people's courts of the same level. The tenure of the people's courts is equal to that of the local people's councils.

Article 58. The Supreme People's Court is the highest judicial organ of the LPDR.

The Supreme People's Court supervises trials of cases and examines rulings by the local people's courts and military courts.

The Supreme People's Court reports its activities to the SPA and the SPA Standing Committee during the SPA recess.

The local people's courts report their activities to the local people's councils of the same levels.

Article 59. In court proceedings, judges and public arbitrators are to be independent in conducting trials and passing judgment in accordance with the law.

Article 60. Judges and public arbitrators have equal authorities in joint trials of cases.

Article 61. Court proceedings must be heard in public; nevertheless, cases may be held in secret if provided for by law. The accused has the right to stand in his own defense. The established association of lawyers has the duty of providing legal assistance for the accused and related persons.

Article 62. Representatives of social organizations have the right to take part in court proceedings as prescribed by regulations.

Article 63. Court rulings attaining legal effectiveness must be respected by party, state, and mass organizations and every citizen and strictly implemented by individuals and units concerned.

B. The People's Judiciary Institute

Article 64. The chief public prosecutor and the People's Judiciary Institute follow and inspect the unified and correct enforcement of laws by all ministries, state commissions, offices, units, enterprises, state and social organizations, local administrative committees, state employees, and citizens.

Article 65. The chief public prosecutor is appointed and removed by the SPA and has a tenure equal to that of the SPA.

The chief public prosecutor reports his activities to the SPA and the SPA Standing Committee during the recess of the SPA.

Deputy chief public prosecutors are appointed and removed by the SPA Standing Committee.

Article 66. Public prosecutors, deputy public prosecutors, committees attached to provincial and municipal prosecution organizations, district public prosecutors, and military prosecutors are appointed and removed by the chief public prosecutor and report their activities to him and their next higher prosecution organization.

Article 67. In conducting their duties, local public prosecution organizations and military prosecutors are under the jurisdiction of the local state organizations.

Chapter IX

Alphabet, Language, National Emblem, National Flag, National Anthem, and Capital City

Article 68. The Lao alphabet and language are the official written and spoken language.

Article 69. The national emblem of the LPDR is a circle depicting at the lower part one-half of a toothed wheel and a red ribbon with the inscription: the Lao People's Democratic Republic, and decorated with crescent-shaped ears of rice on the two sides and a red ribbon stretched between the middle of the rice ears with the inscription: peace, independence, and social progress. A gold star is located between the tips of the rice ears. A road, paddyfield, forest, ore mine, and hydroelectric dam are depicted in the middle of the circle.

Article 70. The national flag of the LPDR is blue with red edges. The area of the red edges is half that of the blue area. A white moon, the area of which is equal to four-fifths of the blue area, is placed at the middle of the flag. The width is two-thirds of the length.

Article 71. The national anthem of the LPDR is the national anthem of Laos.

Article 72. The capital city of the LPDR is Vientiane Capital.

Chapter X

The Last Provision

Article 73. Only the SPA is has the right to amend the Constitution.

The amendment of the Constitution requires the votes of two-thirds of the total number of SPA members.

Tokyo Statement on Cambodia 'Widely Hailed'

BK0806054390 Vientiane Domestic Service in Lao 0000 GMT 8 Jun 90

[Station commentary: "World Public Hails And Supports Tokyo Joint Statement on Cambodian Peace"]

[Text] Respected listeners, following a two-day meeting and talks in Tokyo, on 5 June Hun Sen, chairman of the Council of Ministers of the State of Cambodia, and Prince Norodom Sihanouk, on behalf of the tripartite Cambodian coalition government, signed a joint statement which reiterates the necessity to put an end to the military activities of the various Cambodian factions. The joint statement stipulates that persons deemed appropriate to be members of the supreme national council—as representative of the national independence and reunification of Cambodia, which is expected to be set up by the end of July this year at the latest —will be selected. This is considered one among many steps taken throughout the past decade on the path leading to the peaceful settlement of the Cambodian problem. It is also considered a significant condition for the achievement of peace in Cambodia, an achievement which serves the aspirations of the Cambodian people.

The signing of the joint statement by Chairman Hun Sen and Prince Norodom Sihanouk on this occasion has been widely hailed and supported by personages as well as by public opinion throughout the world. Taro Nakayama [Japanese foreign affairs minister] has assessed the significance of the signing of the joint statement by saying that it serves as the path leading to the achievement of peace in Cambodia. Taro Nakayama has stressed that to put into actual practice the outcome of the meeting as noted in the signed statement, Japan itself will also cooperate with many countries which directly involved with the Cambodia issue. Welcoming the success of the meeting for Cambodian peace on this occasion, the Japanese paper ASAHI SHIMBUN, in yesterday's issue, pointed out that Japan served not only as the country that provided accommodations as the site of the meeting, but also as the country that played an active and significant role in enabling the meeting to achieve success. It is noteworthy that despite the obstruction to the meeting by the Pol Pot side, Japan maintained a resolute attitude from the beginning. At the same time, THE JAPAN ECONOMIC JOURNAL has also hailed the outcome of the meeting and expressed hope that Japan will promptly establish economic relations with Vietnam and Cambodia and render assistance in this field to them.

Professor (Fomuda), political commentator for Indochina affairs, has given the following views: I see this meeting for Cambodian peace as an outstanding and interesting issue. Actually, Japan has switched from the policy of supporting the three Cambodian factions to the policy of attaching importance to the Phnom Penh administration.

In his meeting yesterday with Toshiki Kaifu, prime minister of Japan, Hun Sen, chairman of the Council of Ministers of the State of Cambodia, also asked Japan to pay attention to making the Khmer Rouge implement the cease-fire as signed in the joint statement.

The joint statement on peace in Cambodia signed on this occasion by Chairman Hun Sen and Prince Norodom Sihanouk has drawn worldwide support because it serves as a condition which will bring peace to Cambodia in the future. It is regrettable that the criminal Pol Pot clique, with intentions of sabotage, has obstructed the joint statement by saying it is not obliged to comply with the agreement on the halt to the use of armed forces as signed in Tokyo between Prince Sihanouk, leader of the three Cambodian resistance factions, and Hun Sen, prime minister of the Phnom Penh government.

It is obvious that the Khmer Rouge has never changed its true, genocidal goals, which it has pursued all along. It wants the war to continue so it can return to power again in Cambodia, a goal the Cambodian people cannot accept. By refusing to comply with the joint statement on peace in Cambodia on this occasion, the Khmer Rouge has been denounced throughout the world. The refusal of the Khmer Rouge runs counter to the aspirations of the Cambodian people who desire to live in peace. It also opposes the common trend of various nations in the world as well as in the region, which is to are promote peaceful coexistence and try to settle all problems through negotiations.

Loei Border Closed Due to 'Right-Wing' Activity

BK0906035290 Bangkok BANGKOK POST in English 9 Jun 90 p 6

[Text] Loei—Laotian authorities yesterday ordered the indefinite closure of its border with Loei Province in the wake of internal fighting with the right-wing resistance.

In an official letter dated yesterday, Somchine Intawong, governor of Muang Sanakham in Vientiane, told Loei

Governor Captain Srirath Harirak it was necessary for Laos to close the border opposite Loei due to the escalating situation and continuing fighting in Laos. He said Laos will not allow any Laotians or Thais to cross the border until the situation improves or returns to normal. Thao Somchine said Laos will officially inform Thai authorities when it can open the border again. He cited two incidents in the past two weeks as the main reason for the closure:

—On May 25, forces of a Laotian right-wing group attacked two military camps at Ban Pone Xai and Ban None Sa-ard of Ta-saeng Namkuan, Muang Sanakham. Three government soldiers were killed and 10 seriously injured.

—On June 6, some 60 rightist resistance fighters attacked camps at Pak Huay Sao and Ban Don Hiang on the Mekong River. Nine Laotian troops were missing along with 11 rifles.

Laos considered it necessary to close the border to solve its internal problem, the letter said. Laos has lately reinforced troops close to the Thai-Lao border. A Laotian navy boat Mitraprab 007 was spotted carrying more forces to support local troops along the Loei and Sanakham borderline. A military report said four Laotian battalions from Pak Nam Phoune Camp of Muang Pak Lai in Sayaboury were also dispatched to areas opposit the Thai districts of Na Haew, Dan Sai, Phu Rua and Tha Li.

The Laotian Army radio, in the meantime, repeated its accusation that a Thai plane had intruded into Laotian airspace and fired rockets into one of its army positions in Sayaboury late last month. The Army also accused Thai authorities of failing to respond to the Lao Government's protest note lodged with the Thai Embassy in Vientiane.

KPL Reports 29 Refugees Return From Thailand

BK0706112590 Vientiane KPL in English 0922 GMT 7 Jun 90

[Text] Vientiane, June 7 (KPL)—8 Lao refugee families of 29 members in Thailand recently returned home on a voluntary basis. A ceremony to welcome them was held at Song Mek checkpoint, a border between Lao Champassak and Thai Ubon Ratchathani Provinces.

At the ceremony, a note on handing over them was signed between the representatives of the two sides with the presence of Lao and Thai authorities concerned and an official of the UNHCR [United Nations High Commissioner for Refugees] to Laos.

Drugs Suppression Seminar Held in Vientiane

BK0506121090 Vientiane Domestic Service in Lao 1200 GMT 4 Jun 90

[Text] A joint seminar on the enforcement of drug suppression laws was held in Vientiane on the morning of 4 June by Laos' National Committee for Control and Inspection of Narcotics and the U.S. Drug Enforcement Administration under the chairmanship of Souban Salitthilat, chairman of the Lao committee. This is the first seminar of its kind ever held in the Lao People's Democratic Republic after the two sides—Laos and the United States—consulted and signed a cooperation agreement with each other on the suppression of narcotics and on other issues last year.

The seminar was attended by 60 Lao authorities from 14 provinces and municipalities, departments, ministries, and various services attached to the center. During the seminar, the Lao authorities concerned will study the principles and systems of drug suppression, investigation, and other methods of drug suppression. The seminar will last 10 days.

Nouhak Phoumsavan Greets DPRK Official

BK0606094890 Vientiane KPL in English 0904 GMT 6 Jun 90

[Text] Vientiane, June 6 (KPL)—President of the People's Supreme Assembly of the Lao People's Democratic Republic Mr. Nouhak Phoumsavan sent a telegram of greetings to the president of the Standing Committee of the People's Supreme Assembly of the Democratic People's Republic of Korea, Mr. Yang Hyong-sop, on his reelection to the post.

Mr. Nouhak Phoumsavan sent his congratulations and best wishes to Mr. Yang Hyong-sop.

He also wished the friendship, solidarity, and multifaceted cooperation between Laos and the DPRK be developed in the interest of peace and socialism.

Phoumi Vongvichit Greets Romanian President

BK0506141190 Vientiane Domestic Service in Lao 1200 GMT 4 Jun 90

[Text] Phoumi Vongvichit, acting president of the Lao People's Democratic Republic, recently sent a congratulatory message to Ion Iliescu, president of the Republic of Romania in Bucharest. The full text of the message reads:

On the occasion of your election as president of the Republic of Romania, on behalf of the entire Lao people, and in my own name, I would like to extend my warm congratulations to your excellency. I hope that the friendly relations, solidarity, and cooperation between our two countries will be further developed and strengthened. May your excellency have good health and score successes in fulfilling your noble tasks.

Philippines

Salonga Reminds Aquino of Focus of Bases Talks

HK0906033590 Quezon City Radyo ng Bayan in Tagalog 0300 GMT 9 Jun 90

[Italicized portions in English]

[Text] An agreement may be reached between the Philippines and the United States on the future of the U.S.

military bases in the country. It was learned yesterday that the two sides agreed to form a joint technical committee to resolve the difference in interpretations of the Manglapus-Shultz bases agreement.

In related news, the Philippine panel to the U.S. bases exploratory talks is collecting all kinds of data on the conversion of the land occupied by the military bases. Manglapus said the move will help the panel in the coming talks.

[Begin Manglapus recording] *We on the Philippine panel are interested in arriving at a way that will enable us to have the maximum information regarding our own abilities and capabilities on the conversion.* [end recording]

Meanwhile, Senate President Jovito Salonga reminded President Aquino that the issue to be discussed should only concern the withdrawal of U.S. forces from Clark Air Base and Subic Naval base and not any extension. Salonga said that by 21 September 1991, no military bases and U.S. forces should remain in the country unless a new treaty is concluded by that time.

[Begin Salonga recording] *By the end of September 1991, there should be no military bases and no foreign soldiers here unless we conclude a treaty or an agreement with the United States that is between the United States and the Philippines. An agreement that will allow them to stay in the Philippines. But this should be submitted for Senate ratification. And not only that, it should also be approved by the entire nation in a referendum. And it should be regarded as an international treaty by the U.S. counterpart.* [end recording]

Enrile Promises Support If Aquino Removes Bases

HK0806053790 Manila PHILIPPINES NEWSDAY in English 8 Jun 90 p 3

[By reporter Jose H. Macaspac III]

[Excerpts] Senate President Jovito Salonga yesterday said he will try to sway Malacanang into agreeing to a "coordinated" stand on the bases to improve the country's bargaining position when the negotiations begin in August. [passage omitted]

Senate Minority Floor Leader Juan Ponce Enrile also said he will rally the political opposition behind President Aquino if she decided to have the bases removed. [passage omitted]

In one of the rare times that he promised support to Mrs Aquino, Enrile said he will convince his fellow oppositionists to back a government decision to remove the bases. "If indeed the administration is serious about putting an end to this colonial vestige in our territory, I will use whatever influence I have in the political opposition to throw its full support to such a decisive move," Enrile said.

But Enrile doubts that the government is set on dismantling the bases despite the recent filing of the notice of termination on the bases to the U.S. He said "there is every reason to believe that in fact, the administration is determined to extend the life of the foreign military presence in the country."

More on Manglapus' Comments on Bases Committee

HK0906081090 Manila PHILIPPINE DAILY GLOBE in English 9 Jun 90 p 6

[By staff writer Julius B. Fortuna]

[Text] Manila and Washington moved a step closer to an understanding on the future of the U.S. military bases in the Philippines yesterday by forming a joint committee that will settle residual kinks in the bases rental issue.

Foreign Secretary Raul S. Manglapus told a press briefing that a joint technical committee has been formed as agreed upon by the Philippine and U.S. panels during the May 14-18 exploratory talks.

The committee, composed of six Filipinos and three Americans, will monitor efforts to implement the 1988 Manglapus-Shultz Memorandum of Agreement and the verification of the agreement as stated in a letter sent by former U.S. President Ronald Reagan to President Aquino the same year. Under the Manglapus-Shultz agreement, the United States is committed to pay the Philippines $962 million for the last two years of the RP [Republic of the Philippines]-U.S. Military Bases Agreement (MBA). But Manglapus complained that Washington fell short of $222.58 million in meeting its commitments. It was reported later that the figure should be only about $190 million.

The Filipino members of the joint technical committee are Raul Ch. Rabe of the Department of Foreign Affairs, as chairman; Alejandro de Leon of the Department of Health, Com. [Commander] Armando Madamba of the Department of National Defense (DND), Brig. Gen. [Brigadier General] Umberto Rodriguez, also of the DND, Teresa Capella of the Department of Agriculture, and Teresita de Castro of the Department of Justice, as members.

The American committee members are John Finney, counselor for political affairs of the U.S. embassy, chairman; Malcolm Butler of the U.S. Embassy, and Brig. General Robert Gary Sausser of the U.S. Armed Forces, members.

Manglapus said he and Richard Armitage, chief U.S. negotiator, shall direct the committee's work.

The foreign secretary said no date on the full-panel discussion has yet been agreed upon.

Former Spokesman Alleges RAM-CIA Link

HK0906020590 Manila PHILIPPINE DAILY GLOBE in English 5 Jun 90 pp 1, 9

["Globe Exclusive" by Staff Writer Noel T. Pangilinan]

[Text] The former spokesman of the Reform the AFP Movement (RAM) said yesterday that the movement established links with operatives of the U.S. Central Intelligence Agency (CIA) as early as 1985. In an exclusive interview with the GLOBE, Capt. [Captain] Rex Robles named a certain Col. [Colonel] Robert Wise as the CIA operative who was in touch with RAM leaders, including himself, starting July 1985, or just a few weeks after the RAM made its first public appearance on July 4 of that year.

Robles, who claims to have resigned from the RAM after the EDSA [Epifanio de los Santos Avenue] Revolt in 1986, described Wise as "bata ni Armitage (Armitage's boy)," referring to Richard Armitage, the chief negotiator of the U.S. government in the recent exploratory talks on the future of the U.S. military bases in the Philippines. In 1985, Armitage was the U.S. Defense Department assistant secretary for international security affairs.

According to Robles, Armitage does not seem to keep secret his links with the RAM. "In fact, he (Armitage) even bragged about this," Robles said, citing an interview published in the FAR EASTERN ECONOMIC REVIEW in 1986, in which Armitage admitted to having given books to RAM officers. Robles said Armitage was quoted in the article as saying, "The RAM is all right...I give them books to read."

Wise's task was primarily to monitor the moves of the military rebels to keep the U.S. government updated, Robles said.

Robles also said that as early as 1985, when the U.S. intelligence community first got wind of the formation of another military group, the Young Officers Union (YOU), the American agents asked the RAM to provide them with contacts from the YOU. But Robles said that he was not sure if the Americans were able to link up with the YOU. He added, however, that it was possible, citing another Armigage interview published also in the FAR EASTERN ECONOMIC REVIEW. In that interview, Armitage praised the YOU.

"I don't think Armitage will praise of YOU if he does not have a line with them," Robles inferred.

Robles considers unity between the YOU and the RAM as crucial to the survival of the military underground. One obstacle to a RAM-YOU tieup is the RAM's links with traditional politicians. The YOU, according to Robles, disdains politicians. "It's actually more of a political difference," he said.

To demonstrate the impact of a RAM-YOU alliance, Robles cited the December coup attempt, the most serious and destructive so far. The December putsch was launched by the RAM and the YOU, with the Marcos loyalist forces in the military joining in.

Ramos Urges Southeast Asian Defense Cooperation

HK0806070990 Quezon City DWDD Defense Department Radio in Tagalog 0600 GMT 8 Jun 90

[From the "Military News" program]

[Text] Defense Secretary Fidel Ramos called for the conclusion of a defense and economic agreement among the countries in Southeast Asia to reduce dependence on foreign powers. He made the appeal in a speech opening the third Philippines-Indonesia maritime pollution exercise in Davao City yesterday.

Secretary Ramos noted the urgent need for strong cooperation and unity among the Asian countries. The exercise is carried out annually by the Philippine Coast Guard and the Indonesian General Sea Communications Office. The conference was presided over by Philippine Coast Guard commandant Commodore Carlos Agustin and General J.E. Habibe, director of the Indonesian General Sea Communications Office.

Japanese Envoy Meets With Aquino on Mizuno Case

OW0906004290 Tokyo KYODO in English 1424 GMT 8 Jun 90

[Text] Manila, June 8 KYODO—President Corazon Aquino and her defense chief met Friday with Japanese Ambassador to the Philippines Tsuneo Tanaka to discusss the progress of government efforts to free Japanese aid worker Fumio Mizuno, kidnapped by suspected communist guerrillas May 29.

A Japanese Embassy announcement said Tanaka appealed to the president to exert more effort to safely rescue Mizuno, 36, a training director of the Organization for Industrialization, Spiritual, and Cultural Advancement (OISCA).

Aquino told the Japanese ambassador that she is personally concerned and monitoring the Mizuno case. Aquino said she has telephoned Brig. Gen. [Brigadier General] Romeo Zulueta, Visayan command chief, and instructed him to extend support to the government moves to rescue the Japanese national.

On Friday, retired Bishop Antonio Fortich, appointed by OISCA and local authorities as a mediator, visited Minoyan in Murcia 480 kilometers south of Manila, where Mizuno was taken by at least four men while visiting a silkworm project funded by his agency in the area.

In Bacolod, the lawyer of OISCA told KYODO NEWS SERVICE the rebels have not contacted OISCA officials and there is no ongoing negotiations over ransom money to facilitate the release of Mizuno. This is the first time that an OISCA official categorically denied talks between the group and the rebels concerning ransom money, squelching rumors and newspaper reports that about 5 million pesos (about 230,000 U.S. dollars) was being demanded by the rebels.

Aquino told the Japanese ambassador that Negros Occidental Provincial Gov. Daniel Lacson is doing his best to rescue Mizuno. The president also informed Tanaka that local residents were "angry with the conduct of the suspected communist New People's Army who took Mizuno away."

Defense Secretary Fidel Ramos relayed to the Japanese ambassador his conversation with Lacson, telling him that he has free access to use military resources for ending the Mizuno incident.

In his visit to Minoyan, Fortich asked local parish priest Fr. Franco Uras to support the move to free Mizuno and establish contact with the rebels. "I am doing what I can... I am making myself available for negotiations," Uras said.

OISCA lawyer Edgar Uytieco told KYODO in an interview that even the wife of Mizuno, Perpetua, denied having established contact with the rebels and appealing to them to lower the ransom to 1 million pesos from the 5 million pesos being demanded.

Military and local government officials, by their refusal to clearly deny reporters' questions on ongoing negotiations and the amount of ransom, have fueled strong speculation that talks for the release of Mizuno were indeed under way.

Military officials also indicated that the rebels might be in touch with the OISCA officers since the agency has asked for a halt to military operations. Uytieco said they want a stop to military operations so as not to endanger the life of Mizuno.

IMF Urges Government To Restrain Inflation

HK0706044590 Manila BUSINESS STAR in English 7 Jun 90 pp 1, 12

[Text] The International Monetary Fund (IMF) has urged the government to rein in the galloping domestic inflation to within single-dight levels by holding down its budget deficit.

In a press communique, the interim committee of the IMF's Board of Governors spelled out the hardline position against member countries with existing credit programs. "Recent price developments point to the need for continued vigilance and restraint in monetary policy, particularly in countries (like the Philippines) where inflationary pressures continue (to be) strong," the IMF governors said in the communique. "The conditions for economic recovery in these countries depend primarily on strengthened domestic policies aimed at controlling inflation and raising savings," they said.

Senior Central Bank officials and local bankers considered the statement as a singal that IMF governors were not pleased with the way the government was managing the domestic price situation. The country's inflation rate—the speed at which basic consumer prices rise—has gone beyond targets since last year. Inflation averaged 10.6% last year, which is over the 8% ceiling stipulated in the Memorandum of Economic Policy, otherwise known as the letter of intent (LOI) submitted to the IMF. This LOI supports a three-year extended credit program worth $900 million.

Domestic Inflation worsened to 13.2% in the five months to May, with the latest monthly average clocking 13.1%. "Unless monetary authorities are able to check the rising inflation, chances are the Philippines cannot expect any further help from the IMF this year," according to a senior banker who requested anonymity.

Other bankers, however, claimed that the IMF's tough position on inflation was meant to shift public attention away from the current impasse on the level of the consolidated public sector deficit (CPSD).

The IMF and the government are at odds over the ideal level of the deficit the IMF wants to keep the overall fiscal gap within the old targets of P33 billion [pesos] to P35 billion, while the government insists that the shortfall must be P55 billion, including those of monetary authorities, traditionally excluded from the books of the fiscal sector.

Because the government refuses to yield to the demand, the IMF has withheld the release of the last credit tranche or installment (worth $300 million) of the $900-million extended fund facility. The amount was originally scheduled for release this month.

Meanwhile, the Department of Finance is rushing a package of new taxes and new administrative procedures that would boost revenue collections and trim the budgetary shortfall.

While the new revenue measures are still being worked out, the national government has resorted to massive domestic borrowings to help fill the budget gap. This required increasing the yields on Treasury bills—the mainstay government IOU issues. T-bills now fetch average interest rates of 23.6%, tugging along bank lending rates, which range from 25% to 30%.

The Central Bank is expected to maintain a tight domestic credit policy, which has been in place since last year, in a bid to dampen the inflationary pressures stemming from the huge fiscal deficit. Essentially, this means the continuation of a regime of high interest rates.

Aquino Not To Issue Any More Emergency Memos

HK0806093790 Quezon City Radyo ng Bayan in Tagalog 0900 GMT 8 Jun 90

[Text] President Aquino today announced that no national emergency memorandum order will be issued henceforth. She made the announcement as the duration of her emergency powers expired today.

Tanny Rodriguez reports.

[Begin recording] Press Secretary Tomas Gomez III affirmed that the president will not issue any more national emergency memorandum orders or so-called midnight memos as her emergency powers expire today. In an interview, Gomez said there was no need for issuance of new memos by the president on this last day of her emergency powers.

The president issued a total of 32 memos, most of which concerned government laws in the areas of livelihood and peace and order following the aborted December coup d'etat.

According to the press secretary, the president has enough powers provided for by the Constitution which she can use in case of an emergency.

Despite the expiration of her emergency powers today, the press secretary stressed that the president has not lifted the state of national emergency in the country. [end recording]

Salonga on End of Aquino's Emergency Powers

HK0806042190 Quezon City Radyo ng Bayan in Tagalog 0300 GMT 8 Jun 90

[Italicized portions in English]

[Text] President Aquino's emergency powers end today. Senate President Jovito Salonga said that it will last only until the end of Congress' third regular session. According to him, it is up to the chief executive to call for a special session of Congress if she believes that the emergency situation still exists.

[Begin Salonga recording] We approved the emergency powers, and it is also stipulated in the Constitution that upon the adjournment of Congress, the emergency powers are no longer in effect. But the president said that if another emergency arises, she might be forced to call for a special session. *That is the prerogative of the president. And I told them* that if there is a new emergency, *well, you call a special session and we will study, we will consider whether there should be a new grant of emergency powers.* Meaning that if there is no new emergency situation, I think it would not be easy to have a special session nor emergency powers. [end recording]

Aquino Makes Independence Day Announcement

Aquino Said Forming Party

HK0906081290 Manila PHILIPPINE DAILY INQUIRER in English 9 Jun 90 pp 1, 10

[By Beth Pango]

[Text] President Aquino will lead a new party she has quietly organized to support the government's programs and possibly choose the administration candidates in the 1992 national elections.

Gov. Roberto Pagdanganan of Bulacan, chairman of the League of Governors, said Ms. Aquino has created a multi-sectoral party composed of select supporters who helped catapult her to power during the 1986 EDSA [Epifanio de los Santos Avenue] Revolution. The birth of the party will be announced during the celebration of Independence Day on June 12, he said. "It is not actually a political party but a multi-sectoral aggrupation of her supporters who will be harnessed to support programs of her administration and to provide support in fighting elements against democracy," Pagdanganan told the INQUIRER.

Pagdanganan said Ms. Aquino does not want to be identified with any of the existing major political parties, especially the ruling Laban ng Demokratikong Pilipino [LDP—Struggle of Philippine Democrats], to avoid speculations that she would seek another term in 1992. But highly-placed LDP sources said the new party was organized in perparation for her re-election bid in 1992. They said, however, that Ms. Aquino feels it is not time yet to announce her decision to run for re-election. The sources said the creation of the new party named Katipunan [Brotherhood] is the first step toward launching her re-election campaign.

Other LDP sources said that while there is the possibility Ms. Aquino will contest the elections, "there are no indications right now" that she was running.

Pagdanganan denied that the President planned to be the new party's standard-bearer. "I don't think it is accurate to say that, but of course whatever comes will affect the future and present," he said.

The sources said the new party will be composed by some members of the Cabinet, governors, mayors and leaders of mass-based organizations, traditional and non-traditional politicians, businessmen and leaders of religious groups. Pagdanganan has been discreetly recruiting members to the newly formed party, the sources said.

Pagdanganan said he was not the prime mover behind the party's formation, but declined to say who was. "I am not an important person," he said.

Pagdanganan said some governors, like Daniel Lacson of Negros Occidental and Leonardo Roman of Bataan, have already agreed to leave the LDP and join Ms. Aquino's new party. Among Cabinet members, Transportation Secretary Oscar Orbos and Health Secretary Alfredo Bengzon are with the party, he said. Asked if Tarlac Rep. Jose Cojuangco, Ms Aquino's brother, was on the list of members, Pagdanganan said: "I don't think he is deeply involved here. It is really the President's idea. Its' her brainchild."

Sources said LDP leaders foresee a possible exodus of some of its members like Cojuangco, who was instrumental in its creation three years ago.

The leaders of moderate trade unions under the Trade Union Congress of the Philippines [TUCP], peasant organizations and multi-sectoral, cause-oriented groups have been also invited to join Ms. Aquino's new party. Among the labor leaders invited to join the party was TUCP chairman Democrito Mendoza.

Aside from the LDP now led by Sen. Neptali Gonzales, the other major political parties now are the Nacionalista Party led by Vice President Salvador H. Laurel and Sen. Juan Ponce Enrile, the Liberal Party headed by Senate President Jovito Salonga and the PDP-LABAN [Philippine Democratic Party—Struggle of the People] headed by Sen. Aquilino Pimentel.

Speaker Ramon V. Mitra, ex-LDP president, said he has "heard" about the new party and its plan to pit candidates against the LDP in 1992. But he said he would reserve comment on the development.

Formation of Party Denied

HK1006050890 Quezon City Radyo ng Bayan in Tagalog 0900 GMT 9 Jun 90

[Text] A report that an active political party will be established by President Corazon Aquino is inaccurate. This was announced by Press Secretary Tomas Gomez III. Reports have indicated that the movement will be called Brotherhood and will be launched on Independence Day on Tuesday.

Details from Tanny Rodriguez.

[Begin recording] Gomez said it was still too early to say that this will be a new political party. He added that it is also not true that the organization will serve as a means for the president to prepare for her reelection in 1992.

Reports said that Brotherhood will be formed by some members of the Cabinet, governors, mayors, and even leaders of mass-based organizations, traditional and non-traditional politicians, businessmen, labor sector, and religious groups.

While the press secretary admitted that President Aquino will lead the organization, he stressed that Brotherhood is a simply a way to initiate the institutionalization of popular and participative democracy that will be established through participation of nongovernment organizations and cooperatives in the country.

According to the press secretary, this is one kind of institutionalization which is also the source of the president's strength as leader of the nation. It is believed that even if the party is launched, it will be regarded the most mass-based political group in the country.

The press secretary explained that the president's decision to group her supporters into one big organization came as a result of her frustration with the other political parties in the country, hence her continued rejection to belong to any of the parties. [end recording]

'Analysis' of Aquino's Strategy

HK1106041090 Manila THE MANILA CHRONICLE in English 11 Jun 90 pp 1, 6

["Analysis: column by Amando Doronila: "President Trying to Rebuild Political Center"]

[Text] During the past few days in the lead up to the celebration of Independence Day, the presidential palace has unfolded what seems to be a new set of political and economic initiatives aimed at putting the presidency in control of events.

The launching of initiatives on National Day is excellent timing, given the patriotic feelings it generates and the symbolic meaning attached to it. Without preempting what President Aquino is going to outline in her "important announcement" on Independence Day, we have been given some indications from which to draw a profile of the new initiatives.

Last night, in her TV talks, the President called on the nation to unite against the attempts of the Left and the Right to overthrow the constitutional government. "We have to persevere in our stand against the forces that seek to bring us back under the control of a repressive government, whether they come form the Left or from the Right," she said.

Previous to this, the Press Secretary, Tomas Gomez, had revealed that the President would launch on Independence Day a political movement that would mobilize broad sectors of society behind her programs. This new coalition would be built on non-traditional groups such a the NGOs (non-governmental organizations), grass roots organizations, and business groups sympathetic to the government's economic policies, or presumably, those which have benefitted form them.

This disclosure was preceded by the special Cabinet meeting the previous Sunday in which it decided to promote the "preferential option for the poor." Also during last week as a follow-up of that meeting, the Secretary of Finance, Jesus Estanislao, indicated that the government would introduce in July a package of tax reform legislation designed to shift the tax burden from the rich to the poor.

These are strong and persistent signals that there is a serious move to launch an initiative and they cannot be ignored. However, they raise several important questions. The first is why apparently radical initiatives are being made at the last hour—that is, less than two years before the end of the term of this government. The second is whether the government can arrest the dangerous drift of the nation following the failed December coup. The third is whether the political movement to be launched is a vehicle for the relection bid of Mrs. Aquino or is the beginning of an Aquino-led rebellion against traditional politics.

A closer examination of the President's TV talk last night and the statement of Mr. Gomez about the new political movement reveals that the President is trying to rebuild the political center which was the base of her coalition that overthrew the Marcos regime at Edsa [Epifanio De los Santos Avenue]. She is trying to rebuild that constituency composed of social groups with tendencies occupying the Center-Left, Center and Center-Right of the political spectrum.

[Text] This coalition has dissolved. She has alienated the peasantry, part of the middle class and the cause-oriented groups because of the collapse of her centerpiece reform program (the land reform program); the middle class, because of her indifference to corruption and the incompetence in the delivery of urban services; and the cause-oriented groups, because of her less than firm commitment to the protection of human rights. These social groups form the bulk of the center. In order for her to win back their support and to mobilize them behind her new movement, she has to demonstrate (1) the revival of her commitment to land reform; (2) political will in forcing Congress to pass tax reform that will lead to the transfer of wealth and resources from the rich to the poor, (3) and the capacity to restrain the armed forces from abuses on human rights arising from the campaign against insurgency.

If she cannot demonstrate these—and this would require the will that can bend an iron rod—there is no way she can rebuild the coalition and restore the base of the political center. The mobilization of the grass roots and non-traditional sectors behind a new movement would require the breaking of the present alliance between the presidency, the traditional politicians, the landlords and the military and the construction of a more populist-oriented coalition. One wonders whether the palace and its political strategists are aware of the magnitude of their task in this call for national mobilization behind the presidency.

To be sure, there is now a coherence in the political strategy of the government. Unfortunately, it may have come too late. The reason why the initiative is being launched seems to be that the government has at last realized the need to break the "immobilisme" that has gripped the nation since the December coup. The initiative is, in essence, a strategy for the survival of this government to stave off political collapse. Our stake in it, alas, is that if the strategy fails, most of us will be crushed not by the crumbling of this government but by the demolition of constitutional democracy.

For nearly six months, the nation has been precariously moving on sheer inertia, without any direction and any impulse of leadership from the political center. Although the forces behind the coup attempts and the revolution of the Left have not been strong enough to mount successful efforts to seize state power, the government has not been effective enough to impose its political will and policy preferences.

There has been since the failed coup a stalemate of social forces. The recurrence of coup rumors is a symptom of this dangerous stalemate. The prolonged existence of such a vacuum and the paralysis of power from the center invite adventures to seize power in order to break the stalement. The government's new initiatives appear to be a move to break such a stalemate. In that respect, an initiative from the political leadership to rebuild the center and tap the powers and potential of the presidency for political mobilization is preferable to a vacuum.

In her talk last night, the President presented the alternative to the rule by the democratic center—the dictatorship of the Right or of the Left. But it is not enough to frighten the people with these demons. It must be demonstrated that the rule of the democratic center can produce an effective and purposeful government, at the very least, forceful enough to curb corruption of presidential relatives. Mrs. Aquino has failed to provide this. That is why it is difficult to bring back the masses to the streets to defend this government, even though it is also true that they cannot be mobilized by the RAM [Reform the Armed Forces Movement] in a coup d'etat. No group can claim the loyalty of the Edsa crowd after the dissolution of the "rainbow coalition" led by Mrs. Aquino. If I may use a now abused phrase once more, President Aquino is desperately in search of the "critical mass" to back her new movement for political renewal. But the "critical mass" has become elusive—both to her and to RAM. It is waiting to be seduced by an inspired political leadership—not the one which functions in fits and starts.

Aquino Launches New Movement

HK1206084390 Quezon City Radyo ng Bayan in Tagalog 0616 GMT 12 Jun 90

[Speech by President Corazon Cojuangco Aquino on the country's 92d Independence Day celebration held at the Quirino grandstand, Rizal Park, Manila—live—italicized portions in English]

[Text] *Secretary Jesus Estanislao, Honorable Diosdado Macapagal, Ambassador Mario Crema, Secretary Raul Manglapus, your excellencies of the diplomatic corps, distinguished members of the Senate and House of Representatives, fellow workers in government,* my beloved countrymen.

It has been 92 years since the leaders of our country proclaimed our independence. For a long time we tried to mold a people worthy of the sacrifices of our heroes who fought for this freedom. Through people power, our heroes declared our independence in 1898. We reenacted the might of this people power in 1986. Now in 1990, the nation is again appealing for people power.

We are not short of people who know how to treasure the essence of our independence, and in their honor, I want to announce today the launching of a movement we will call Partnership [Kabisig]. [applause]

Perhaps, you want to ask why we named our new movement Partnership. It is because, most of us could probably recall, in 1986 during the Epifanio de los Santos Avenue revolution, we stood hand in hand, thus the name Partnership, which now signifies yet again the Filipinos' determination to work hand in hand with the each other.

Maybe you want to ask why we are launching this new movement. The reason is this: Many people came to me and asked, what will happen to us, because as early as right now, there is already plenty of talk about the 1992 elections. They also asked me: Does this mean we are not going to do anything in 1991 but talk about the 1992 polls?

My answer was: Those who want to talk and discuss the 1992 polls, let them be. As for those of us in Partnership, we will think about what to do to promote our country's economy and improve the livelihood of the people. [applause]

May I inform you of the kind of people I want to work with in this Partnership movement. They are the Filipinos who are helping the administration. The Filipinos who are taking part in our battle against poverty. These are the people I want to be with in our Partnership movement.

For example, we have some felllowmen from General Santos City, who instead of voicing complaints of having no home or land, cooperate with our government. A physician there, named Dr. Emily Lagare, even led a nongovernmental organization to help over a thousand families acquire land through the government's community mortgage program.

Another example are our farmers. Thousands of them are now members of livelihood foundations, which were established jointly by the national government, local government, nongovernmental organizations, and farmers organizations. I saw the success of these in the Tarlac People's Livelihood Foundation, headed by Comrade Dante Buscayno. Similar projects were launched in two other provinces: the Alay-Tangkilik [Offer-Patronize] Foundation in Cabiao, Nueva Ecija; and in the Pangasinan People's Livelihood Foundation.

At present, the national and local governments, nongovernmental organizations, and farmers are still working together to establish the same organizations in Bulacan, Camarines Sur, Ilocos Norte, Quezon, and Pampanga.

The thousands of farmers who belong to these organizations were originally poor and were content with a meager income from their poor harvests. Instead of grumbling about their poverty, they united and sought government help. These organizations now have their own storehouses, tractors, and other farming equipments. Our fellow countrymen who belong to these organizations have immensely improved their own lives.

In Cebu, there was a dire need for more electricity. There was also a good response to that. Again, our national government, the Cebu provincial government, and the people of Cebu worked together. Their efforts led to the Matutinao Minihydro Electric project. It was the people themselves who took the initiative and endeavored to establish this minihydro electric plant. They created the Kawasan Labor Cooperative so that they themselves could benefit from it and pave the way for the construction of the plant.

Joining the government in this concerted effort is the Armed Forces of the Philippines, through its corps of engineers, which includes the 51st, 52d, and 53d engineering brigades. These units helped us construct school buildings, bridges, and roads, notably in remote provinces like Samar and Layte. They helped us build the Lopez-Catanauan road in Quezon and the San Policarpio road in Northern Samar.

If there are some elements in the Armed Forces who have been abusing our freedom through their coup attempts, we also have soldiers, like those in the engineering brigades, who are working with the people for our peace and progress.

This cooperation can also be seen in our fishing port development program. Last Sunday, I visited one of the fishing ports under this program in Sual, Pangasinan. I saw the fine result of cooperation between the national government, provincial government, fishermen, and private organizations. The fishing port is modern and equipped with new facilities. There have been other bigger fishing ports completed in Iloilo some two years ago. Similar fishing ports will also be opened in Camaligan, Camarines Sur, and Lucena in the province of Quezon. Others will be established in Davao City, General Santos City, Tacloban, Cebu, Bayawan in Negros Oriental, Surigao City, Cagayan de Oro City, and in Cadiz, Negros Occidental.

Among our strongest associates in our current ventures are our new cooperatives. Cooperatives flourished in our country since our countrymen discovered that if they are organized, they have the strength and capability to obtain assistance from our government. They are granted loans by government agencies. The good news is that for every 100 cooperatives seeking loans, 95 of them are able to repay the entire loans.

Here in Bulacan alone, there are some 300 cooperatives with total assets of 240 million pesos. One of the biggest community-base cooperatives, the Saint Martin of Tours Credit Cooperative, is also based here. It has assets worth almost 100 million pesos.

Through these cooperatives, our national government, local government, private volunteer organizations and the people are able to cooperate with each other fully. In fact, the cooperation of the private sector is one of the most important features of our present administration. In the province of Pampanga, almost all of their provincial committees and councils have members from the private sector. Their bishop is the chairman of the Pampanga economic advisory council.

I was also pleased with the report submitted to me by our Department of Education, Culture and Sports. Secretary Carino reported that parents-teachers association, or PTA's, all over the country are helping our government in the repair of our school buildings. Instead of griping or complaining, our PTA's, such as those in Iloilo, Cagayan de Oro, and Capiz, have initiated the repair of the buildings on their own. In some instances, they have even advanced the funds needed for these repairs. In so doing, they have underscored the principle that the education of our children is really a partnership among teachers, parents, and government.

This cooperation has also greatly benefited the health of our people. We saw this in our national immunization program. Do you know that when we started in 1986, only 30 percent of our young children under one year old had been immunized? We have raised this to 80 percent in 1989. The almost 300 percent rise was achieved through cooperation between the national government, provincial and city governments, and organizations like the Rotary and other NGO's [nongovernmental organizations] which formed the Immunization for Peace.

These are only a few of our countless countrymen who are moving to help their fellowmen and improve the national economy. These are the Filipinos we would like to recruit into our movement. These are the Filipinos who know how to use their freedom. *These are the Filipinos who know how to use their freedom.* In using this freedom, they not only improve their own lives but also those of the community and of their fellowmen. These are the Filipinos who, instead of using freedom to destroy others, have sweated to help improve the country. These are the Filipinos who will be the pillar of our new Partnership movement. [applause]

We have read a lot in the newspapers and heard a lot over the radio about rumors concerning our movement. I would like to shed light on what others have to say. What we are establishing is a political movement. This is not a political party. [applause] We have seen in the past four years that the politicians, *the politicians cannot do it alone. The NGO's cannot do it alone.* But when the politicians and our countrymen who belong to NGO's help each other, we achieve success in our projects. Hence, this is what I would like to see in our country today: Our governors, mayors, congressmen, senators all helping me so I can help the people.

The door of the Partnership movement is open to all Filipinos who will forget themselves and will put priority on the country first. [applause]

I suppose some of you would like to know who has helped me form this Partnership movement. I will cite the names of some of those who helped me. First of all, there is Secretary Oscar Orbos. [applause] Governor Roberto Pagdanganan of Bulacan also helped me. [applause] Governor Bren Guiao of Pampanga [applause]. Governor Daniel Lacson of Negros Occidental. [applause] We should also have someone from Mindanao, so I chose Governor Douglas Cagas to help me. [applause] Also helping us is Mayor Renato Reyes. [applause] Mayor Brigido Simon Jr. of Quezon City. [applause] The entire cabinet was also there to help me, with some of them frequently called upon by me to help form this movement. Joining Secretary Orbos are Secretary Ping de Jesus, Secretary Jesus Estanislao [applause], Secretary Fiorello Estuar [applause], Secretary Alfredo Bengzon [applause], and Secretary Vicente Jayme [applause].

I would also like to tell all those who are members of LDP [Struggle of Philippine Democrats], LP [Liberal Party], and other parties like the PDP-Laban [Philippine Democratic Party—Struggle of the Nation] of Nene Pimentel that they may join this movement without having to leave their respective political parties. They can help us, but I am saying this explicitly now: If you want to help me, please do not wait for me to call on you one by one everytime I present to you an administration measure. Because if you really intend to help me, [applause] you will pass that administration measure. [applause]

I would like to thank our Congress *for the following bills that they have passed and which I have signed into law:* The Small Business 20 Code or Republic Act No. 6810, the Cooperatives Code of the Philippines or Republic Act No. 6938, and the Cooperative Development Authority, which has been of immense help to our cooperatives. At the moment, the governors and mayors have asked me if it is possible that the Local Governments Code, long awaited by our governors and mayors, [applause] can be adopted in the coming session. [applause] I think I have clearly stated my views here. We need the cooperation of all, but I will no longer tolerate someone saying I am for Cory and then acting otherwise. [applause]

I do not mind being criticized and reproached by our enemies but what hurts and what I really cannot accept are those who tell me they are my friends and then oppose my administration measures. [applause] In the coming days, you will hear more about our new Partnership movement. Help me so I can help you more.

Thank you very much and long live the Filipino people. [applause]

Comprehensive Tax Reform Package Approved

HK0706050190 Manila PHILIPPINE DAILY GLOBE in English 7 Jun 90 p 6

[By staff writer Ray Enano, with a report from David Jude Sta. Ana]

[Text] The Cabinet approved yesterday a comprehensive tax reform package featuring 16 new tax proposals and 10 administrative measures designed to raise at least P25 billion [pesos] in additional revenues for 1991 and 1992.

Finance Secretary Jesus Estanislao said the 16 tax proposals will be endorsed by Malacanang to the Congress for legislation as one whole package while the administrative measures will shortly be implemented by both the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC).

The 16 tax measures which are apart from the so-called "sin" taxes on cigarettes and alcoholic drinks, include the imposition of an affluent consumption tax on certain luxury expenditures and additional taxes to minimize speculation in real property.

Estanislao said such measures "bear more heavily on the affluent and the more advantaged." He admitted the new tax measures are a "bitter pill" but asked for the understanding of the public. "Thus while we ask for sacrifice from all, we have decided to ask much more from those who have more," Estanislao said. "A new tax reform package for 1990 is to be presented to Congress. The coverage of reform is wide-ranging, and it aims to gradually shift the burden of taxation on the affluent and above all to simplify the tax collection machinery," Estanislao said in his presentation to the Cabinet.

The package proposes to prescribe ceilings on certain business deductions as well as adopt a simple two-tiered tax on business and professional income of individuals. Under this particular proposal, a 25 percent tax on the first P200,000 income is to be slapped and 35 percent on any higher amount.

The affluent consumption tax applies to luxury expenditures such as the purchase of cars of over P500,000; construction of residential units, including land, of over P3 million; purchase of yachts, speedboats, helicopters and airplanes for private use; and construction of mausoleums at P500,000 or more.

The tax reform package also aims to increase the tax on rentals, lease charter and other fees of vessels, aircraft and machinery. In addition, it proposes to raise the assessment level of real properties used for club membership, golf course, sauna baths and gambling casinos. The removal of some tax exemptions granted under the Real Property Tax Code was likewise included.

Estanislao said the Cabinet also approved the imposition of a "windfall profit" on any critical industry or sector whose profit rates are significantly higher than the average inflation rate.

On the administrative side, the Cabinet endorsed the creation of special tax courts to handle exclusively tax cases.

Estanislao continued that the BIR is being authorized to conduct and expand its periodic raffle of sales receipts and the awarding of attractive prizes to encourage buyers to demand receipts for their purchases. The BIR, too, was directed to return to the affixtures of strip stamps on cigarettes and liquor.

President Aquino has also instructed the BIR and the BOC to accept voluntary payments in deliquent accounts, including taxes and duties which were uncollected as of December 31. Estanislao said the voluntary payments whether made in discounts under case-to-case settlements will increase further collections of the government. He estimated that around P12 billion in delinquent accounts are owed to the BIR and P5 billion to BOC.

Aquino Clarifies Issue Involving Trade Secretary

HK0706110990 Quezon City Sports Radio 738 in English 1000 GMT 7 Jun 90

[Text] In Malacanang, President Aquino today assured that she will apply the requirement of divestment on all incumbent public officials who have businesses that are in conflict with their position in government. Tanny Rodriguez reports:

[Begin recording] This was the reaction of the president with reference to clarifications being sought by the palace newsmen on the case of Trade and Industry Secretary Jose Concepcion Jr., who, according to the Securities and Exchange Commission, during the ongoing Senate blue ribbon committee hearing disclosed that Concepcion has not presented proof that he has actually divested himself of shares of the Concepcion-owned Republic Flour Mills. The SEC said Concepcions may no longer appear in the list of RFM share holders. However, the names of his wife and children appeared for the first time in the shareholders list. [end recording]

Renegade Cagayan Governor Aguinaldo Surrenders

HK1206100690 Quezon City Radyo ng Bayan in Tagalog 0900 GMT 12 Jun 90

[Text] Former Cagayan Governor Rodolfo Aguinaldo surrendered to Regional Command 2 Commander Miguel Fontanilla and Justice Under Secretary Silvestre Bello, at noon today. Aguinaldo was accompanied by his lawyer Attorney Vic Padilla to the Cagayan provincial capital. According to initial reports, it has not been decided whether or not to bring Aguinaldo to Manila immediately. However, Fonatnilla said he was given instructions by Defense Secretary Fidel Ramos in relation to Aguinaldo's surrender, but refused to disclose the details.

The warrant of arrest for Aguinaldo was issued by Quezon City Regional Trial Court Judge Tirso Velaso, who slapped on a 90,000 bail bond for the renegade governor.

Senate Approves 40-Year Punishment for Coupists

HK0806031190 Manila Far East Broadcasting Company in Tagalog 0000 GMT 8 Jun 90

[Text] The Senate last night approved a proposed bill imposing a 40-year imprisonment for the crime of coup d'etat which is the most serious offense. Clarence Agudo has the full report:

[Begin recording] According to senators, the crime of coup and rebellion is an armed uprising which can take place for a long period of time. Meanwhile, coups would refer to drastic grab for power. Under the Consititution, a punishment of 30 years is imposed on those proven to be guilty of rebellion. It will be recalled that the proposed bill came about as a consequence of the difficult economic situation which triggered the December coup attempt. The passage of the bill is the Senate's response to the majority of the people who requested far-reaching peace in the country. [end recording]

Court Ruling Has No Effect on CPP-NPA Cases

HK0706105990 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 7 Jun 90

[Text] Justice Secretary Franklin Drilon said a court ruling on the non-existence of a rebellion complexed with murder offense does not affect cases involving suspected members of the Communist Party of the Philippines [CPP] and other communist movements. This is Drilon's response to a request by lawyers of detained CPP-New People's Army-National Democratic Front members to invalidate charges against their clients. Drilon explained that the suspected communist rebels were not charged with rebellion complexed with murder, but with other offenses that are clearly defined under the law. Here is Secretary Drilon's statement:

[Begin recording] The charges filed against the insurgents were mostly illegal possession of firearms in furtherance to rebellion. There is a specific law on this. This was not based on the Hernandez doctrine or on the cases we filed at the Supreme Court. Their case is not rebellion complexed with murder but illegal possession in furtherance of rebellion. There was a presidential decree on this which clearly states that this was a crime and carries a grave sentence. [end recording]

Meanwhile, the secretary said the cases filed against CPP Secretary General Rafael Baylosis, Satur Ocampo, and Carolina Malay, and even the illegal possession of firearms filed against Vicente Teng Puyat will not be affected.

On the soldiers involved in the coup attempts, Drilon said the court ruling also has no effect on them because they are all facing a mutiny charge, except for former Colonel Gregorio Honasan, former Colonel Rodolfo Aguinaldo, and Colonel Billy Bibit.

Editorial Urges Dismissals Over Court Ruling

HK0806053590 Manila PHILIPPINE DAILY GLOBE in English 8 Jun 90 p 4

[Editorial: "Fire them"]

[Text] By a vote of 11 out of 12 the Supreme Court threw out the administration's case as pathetic in its reasoning and incompetent upon its face—for no such crime as "rebellion complexed with murder" exists outside the imagination of wilfully ignorant officials.

Two justices merely opined that rebellion's nature may have changed since the promulgation of Hernandez; that it may have lost the "quixotic" quality of communist insurgencies so woefully absent from the sordid uprisings of the militry today. (So why don't they release the communist detainees?) They may be correct. While the fitful maraudings of ragtag Red bands have only the most "quixotic" prospect of success, the same cannot be said of the overwhelming masses that toppled Marcos at EDSA [Epifanio de los Santos Avenue] nor of the regular forces that have assaulted the government with the discipline and numbers that distinguished Cromwell's forces against the government of his day.

It is for Congress, not the Court, to provide against changes in the complexion of rebellions. Neither is it the part of the Court to overturn the principles enshrined in the Constitution which is the Court's highest duty to uphold. As it is the Executive's highest duty also.

The President's inaugural oath lays it out clearly: the President swears to preserve and defend the Constitution, execute the laws, do justice to every man, and consecrate himself to the service of the nation. The nation was not served by the flouting of the venerated doctrine of Hernandez—the doctrine that democracy may not close entirely to future generations the avenue by which the present came to enjoy its liberties. A doctrine so strong and clear that Marcos had to legislate specifically against it.

Yet the principle stands that the king can do no wrong; presidents cannot be impeached except for culpable violations of the constitution, which is not here evident. The Constitution was not violated. Yet, equally, it was not upheld. Rather was it traduced by advisers leading the President down a primrose path to her present discomfiture and embarrassment.

These advisers aver that they were merely "exhausting every means" to defend the administration against its enemies—any means that might succeed. They would "experiment," take a shot at an arbitrary act. That is how they justified trifling with a basic right. Yet it is not the President alone who is sworn to defend the Constitution.

The oath that binds the President holds fast with hoops of steel each and every member of her Cabinet to the strictest observance of the Constitution. All the more those whose office sets them honorably apart to be the law's special defenders in the Executive branch. A democratic president cannot ever require the services of persons to advise her on the ways by which the liberties of her people may be curtailed. At best, the law may be explained to her so that, out of several courses of action, she might select only from those that are just and legal for the preservation of government.

Yet, in direct proportion as they paid an empty homage to the rule of law, these advisers proposed its subversion by a theory of jurisprudence so preposterous as to leave the Court no recourse but to flatly reject it—11 out of 12; even 12 out 12 if one considers that Chief Justice Fernan concurred in the result.

Our democracy will be defended only by the ways of democracy and our liberties by means that respect them. Democracy's friends are legion; its means are sufficient and effective in competent hands. Six defeated military revolts, the lingering death of a communist insurgency attest to these. The unexpectedness of the attacks and the resultant economic damage attest merely to the incompetence with which our democracy has heretofore been defended. It was therefore inexcusable for the President's men to try to supply their mental deficiencies by measures intended to carve out substantial portions from the body of our rights and liberties. For that, they should be fired.

Two RAM Members Escape From Military Base

HK0706043390 Quezon City Radyo ng Bayan in Tagalog 0300 GMT 7 Jun 90

[Excerpt] The military today announced the escape of two Reform the Armed Forces [RAM] members last night. In a radio interview, Armed Forces of the Philippines Vice Chief of Staff Major General Rodolfo Biazon stated that the initial report identified the escapees as Lieutenants Ong and Bacani. Other details of the incident will be reported by the Philippine Army [PA] commanding general.

[Begin Biazon recording] The two officers, Lieutenant Ong and Lieutenant Bacani, escaped from the Philippine Army detention center in Fort Bonifacio. We have an initial report, but we are waiting for the report of the PA commanding general, who is investigating the incident. [end recording] [passage omitted]

Military Launches Manhunt

HK0706105590 Quezon City Radyo ng Bayan in Tagalog 0900 GMT 7 Jun 90

[Excerpt] The military has today launched a massive manhunt for two military officials involved in the failed December coup and who escaped from detention. First Lieutenant Emiliano Ong and First Lieutenant Jorge Bacani bolted out of the 808 MP custudial company stockade in Fort Bonifacio. According to Philippine Navy Information chief Lieutenant Colonel Benjamin Enrile, Ong escaped yesterday morning at about 0900 while Bacani bolted out at 1800 in the afternoon. [passage omitted]

YOU Warns of More Rescues

HK0706085390 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 7 Jun 90

[By Eloi Aquino]

[Text] On the escape of two military lieutenants from Fort Bonifacio detention, the Young Officers Union [YOU] identified First Lieutenant Emilio Ong as the former official assigned in Bacolod who got involved in the December coup. YOU said Ong was rescued by a four-man commando unit belonging to the Rex Baquiran Brigade's Delta team headed by Marine Captain Joshua Vinzons. According to YOU, Ong immediately reported back to the YOU-Negros collective unit in which he was a former member, but did not comment on the escape of Bacani. In view of this, YOU warned of more future rescue operations to free the remaining officers and soldiers detained in ships and other land-based detention centers. Earlier, YOU claimed responsibility for the escape and rescue of former Philippine Constabulary Lieutenant Colonel Billy Bibit from the Manila City Jail last month.

Detention Guards Relieved

HK0706124390 Manila Radio Veritas in Tagalog 1200 GMT 7 Jun 90

[Italicized portion in English]

[Text] Armed Forces chief of staff dismissed the idea that the Young Officers Union [YOU] was involved in the escape of two rebel military officers. Lieutenant Jorge Bacani and Lieutenant Emiliano Ong separately bolted out of detention yesterday after they were given a pass. Ong was abducted by three men riding a gray Toyota car on his way from a dental clinic, while Bacani made his way out while his guard was out eating in a canteen.

De Villa immediately ordered the immediate relief and confinement of the three guards assigned to Ong and Bacani. At the same time, he issued a stern warning against the recurrence of a similar embarrassing situation:

[Begin De Villa recording—in progress] *...and I don't believe so. As of the moment, we have no indication that this is so. The report of General Flores is that these two guys independently or separately ask for dental appointment. It shows that there is a weakness in that particular process, procedure.* [end recording]

Philippine Marine Killed in Metro Manila Ambush

HK0806110390 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 0930 GMT 8 Jun 90

[From "GMA News" program]

[Text] Two off-duty Philippine Marines were ambushed by unidentified men in San Juan, Metro Manila, at dawn today. One was killed on the spot while the other was seriously wounded. Nick Alog reports:

[Begin recording] The slain Philippine Marine was identified as PFC [Private First Class] Ramon Velitare, while wounded was PFC Unisys Tambal. A relative of Tambal said the two soldiers accompanied them to Aurora Boulevard near the corner of F. Santos, San Juan, Metro Manila to get a ride when two unidentified youths approached Velitare and Tambal and immediately fired at them. Velitare immediately died while Tambal managed to run and was brought to the Armed Forces of the Philippines Medical Center in Quezon City. The police recovered two slugs of .45 calibre revolver from the scene. Authorities could not determine whether or not the crime was perpetrated by the New People's Army. Investigation continues on the case. [end recording]

'Top' MNLF Official Killed in Fight With Army

HK0706052590 Quezon City Radyo ng Bayan in Tagalog 0500 GMT 7 Jun 90

[Text] The military killed a top Moro National Liberation Front [MNLF] official who was responsible for the ambush of the Army's 35th Infantry Battalion in Maguindanao last May. MNLF chieftain Commander Deo was killed by four military soldiers following a fight between his group and the Philippine Army's 6th Infantry Division. Army chief Major General Guillermo Flores said one man was wounded on the government side and that they had recovered seven guns from the scene.

Labor Department Reports Rise in Unionism

HK0606031190 Manila THE MANILA CHRONICLE in English 6 Jun 90 p 8

[By Diana Mendoza]

[Text] The country now has 5.8 million organized workers, with the public sector unions showing a remarkable increase in the first quarter of 1990, the Department of Labor and Employment [Dole] reported. A total of 162 new labor unions field their registration with the Dole during the first three months of this year, bringing the number of labor unions at 4,245. Some 14,000 new union members have been added to organized labor within a year's time, a 25.6% increase in union registration compared to last year's 3,083, the department said.

Leaders of organized labor attributed the increase to the employees search for legitimate venues of airing their protests, grievances and demands. The Civil Service Commission has ruled out labor's mass actions as a means to protest alleged injustices or to demand better conditions and benefits at work, saying these activities disrupt government services.

"Mas mabuti kasing united ang mga empleyado kung may unyon. Makikinig ang employers pag nag-grupo na ang mga manggagawa, mas may chances pang ma-resolve ang mga problema sa trabaho," [It is better because the employees are united if there is a union. The employers will listen if the workers group together, there are more chances to resolve work problems] an officer of a militant labor group who requested anonymity told the CHRONICLE. He added that organized labor "does not only mean staging mass actions." United workers also have the right to be heard in labor disputes "by demanding orderly negotiations with authorities. Mass actions sprout only as a last resort," the official said.

Labor officials enjoined the new unionists to comply with labor laws and be "orderly" in forwarding their protests and demands.

The number of labor unions from the public sector increased by 7.1%, or from 87 in March 1989 to 149 over the same period this year. Membership in public sector unions also expanded by 42.3%, from 52,000 in 1989 to 74,000 this year, Dole added.

There were no new federations and labor centers in the first quarter of this year, Dole said. Federations remain at 143 while labor centers remain at only seven.

Existing local and independent unions, or those not affiliated with labor federations, increased by 17.4%, or from 3,361 in March 1989 to 3,947 this year.

Column on New Business Ventures in 1st Quarter

HK0606033590 Manila BUSINESS STAR in English 6 Jun 90 p 2

["Indicator" column by Irene M. Cariaga: "More New Business Ventures Set Up in First Quarter"]

[Text] Local businessmen seemed unmindful of the political and economic uncertainties plaguing the country since the December 1989 coup as indicated by hefty new equity infusions during the first quarter of this year.

Latest data from the Securities and Exchange Commission (SEC) show that fresh capital infusions into local businesses during the period totaled P2.5 billion [pesos], representing initial paid-up capital investments by newly-established domestic corporations and partnerships. The figure, the SEC said, was a dramatic 71.2% hike from the year-ago level of P1.5 billion.

The increment came despite an investment climate characterized by high interest rates, inflation and a depreciating peso, compounded by drought conditions and power failures.

Analysts said that most probably, local businessmen who made the fresh capitalizations were of the view that their investments would outlast such problems. There may be a basis for this since the same SEC data show that most of new capital infusions were in the community, social and personal services sector, areas which are not exactly that prone to the above cited economic fluctuations as, say, the industrial sector. According to the SEC, new investments in the community, social and personal services sector amounted to P435.6 million, a 665.6% rise from the year-ago level of P56.9 million. The commission said it was this hefty increment which provided the upward push to overall initial paid-up capitalization. Businesses under community, social and personal services include sanitary and similar services; education; medical; research and scientific institutes; recreational and cultural; personal and household services; restaurants and hotels, and other social and community-related services.

But investments were also bullish in the other, much larger, investment sectors where uncertainties also persist. An example is mining and quarrying which absorbed P29.1 million in new capital this year, 224.4% more than the year-ago figure of P8.97 million. The increment took place despite dwindling prices of major metal prices abroad.

Another sector where businessmen were also most aggressive during the first quarter this year was transportation, storage and communication sector, evidence of the ground gained in government's campaign to enlist the private sector in solving the country's gargantuan transportation crisis. Local investors poured P84.6 billion in new capital into the sector, an amount 121.5% more than last year's level of P38.2 million. Business enterprises under the transportation, storage and communications category include road passenger and water transport as well as storage and warehousing; mail, express and telephone services.

Other sectors which experienced upticks in new investments during the period include: manufacturing, which absorbed P638.6 million or 84.3% more in capital from new business entities; financing, insurance, real estate, and business services, which took in P1.01 billion or 77.2% more than last year's P572 million; and, wholesale and retail trade, where P225.3 million-worth of new ventures were set up during the period.

Owing most probably to the long-drawn drought, new investments in the agriculture, fishery, and forestry sector suffered a decline of 79.7%, from P138 million last year to P28 million this year. Construction, mainly on account of the December coup and tight credit supply, also suffered a 43.6% decline in new investments, from P98.6 million to P55.6 million.

Share-wise, it was the financing, insurance, real estate, and business services sector which cornered the bulk of the aggregate initial paid-up capital during the period at 40.2%. The other highly capitalized industries were manufacturing, community, social, and personal services, and wholesale and retail trade which took in 25.4%, 17.4%, and 9%, respectively, of the total new investments.

Thailand

Chawalit Resignation Developments, Reactions

Announcement Issued 11 Jun

BK1106141490 Bangkok Army Television Channel 5 in Thai 1355 GMT 11 Jun 90

[Text] The Prime Minister's Office has issued an announcement on a cabinet minister's resignation. The announcement says General Chawalit Yongchaiyut has requested to resign from the positions of deputy prime minister and defense minister as of 11 June 1990. His majesty the king has been informed of the request, and thus Gen. Chawalit Yongchaiyut's cabinet minister status ends 11 June 1990. The announcement was issued 11 June 1990 and signed by Prime Minister General Chatchai Chunhawan.

Chatchai Arrives in Hua Hin

BK1106114790 Bangkok Army Television Channel 5 in Thai 1135 GMT 11 Jun 90

[Text] According to the latest political report, Prime Minister General Chatchai Chunhawan arrived at the Hua Hin airport in Prachuap Khiri Khan Province for an audience with his majesty the king. No report of this meeting was available. Chatchai arrived at 1710 and will leave Hua Hin for Bangkok at about 1845. The prime minister is expected to return to Bangkok at 1910 at the latest.

Chatchai Returns After Audience

BK1106133890 Bangkok Army Television Channel 5 in Thai 1320 GMT 11 Jun 90

[Text] The prime minister has returned [to Bangkok] from Hua Hin after having an audience with His Majesty the King at Klai Kangwon Palace. His plane touched down at Don Muang Airport at 1900. After leaving the plane, the prime minister immediately left the airport by car for his residence in Soi Ratchakhru without giving reporters a chance for an interview. At the prime minister's residence in Soi Ratchakhru, a large number of reporters were waiting for news about developments of the situation.

Chatchai Grants Interview

BK1206013290 Bangkok Domestic Service in Thai 0000 GMT 12 Jun 90

[Text] Prime Minister General Chatchai Chunhawan and his party comprising about 130 persons arrived at a VIP Room of the Don Muang Airport for his official trip to the United States at nearly midnight on 11 June, with a number of honorary guests including ministers of his coalition Government, leaders of all the three Armed Forces—Army, Navy and Air Force—the supreme commander, and the director general of the Police Department, as well as hundreds of mass media representatives.

Immediately after Chatchai arrived at the VIP Room, mass media representatives rushed inside and requested an interview. After a short while, Chatchai told Air Marshal Sombun Rahong, governor of the Airport Authority of Thailand, to inform the press that he was ready to give an interview. The prime minister said he would try his best to negotiate with his U.S. counterpart in a manner that would uphold the country's dignity.

[Begin Chatchai recording] We will try to do our best in talks with our U.S. counterparts. Thailand and the United States have had good bilateral relations for quite a long time. I think there would not be any problem. We must cooperate with each other, particularly in the suppression of narcotics. I think there should be some improvement on investment. As for the event at the Thai stock exchange today, this is just a normal occurrence in the stock business. Share prices must go up and come down. When share prices fall, everyone will try to raise it again. Wait and see tomorrow. I guarantee it will go up again. [end recording]

After the interview, Chatchai had his picture taken with leaders of all the three Thai Armed Forces—Army, Navy and Air Force—the supreme commander and the director general of the Police Department.

Chatchai Expressses 'Shock'

BK1206105390 Bangkok First Army Division Radio in Thai 1000 GMT 12 Jun 90

[Text] A special correspondent of the First Army Division Radio reported from Vienna, Austria, that Prime Minister General Chatchai Chunhawan granted an interview to newsmen on board the airplane about the resignation of Gen. Chawalit Yongchaiyut, former deputy prime minister and defense minister. The prime minister said that he was still in a state of shock. He stressed that he really had no part in it.

The prime minister expressed regret and deplored the loss of Gen. Chawalit. He said that it takes 50 to 60 years in order to groom such a person of this stature. The prime minister said he still does not know where to find another person to replace Gen. Chawalit. The prime minister said that he did not block Gen. Chawalit's resignation because he did not have a chance to see Gen. Chawalit at all after the latter returned from his trip abroad. Gen. Chatchai said he really feels sorry for what happened.

General Sunthon on Security

BK1206005690 Hong Kong AFP in English 2028 GMT 11 Jun 90

[Excerpt] Bangkok, June 12 (AFP)—Thai Prime Minister Chatchai Chunhawan left here Monday [11 June] for a trip to the United States after military leaders assured him that the defense minister's sudden resignation would not provoke a coup d'etat.

General Chawalit Yongchaiyut, the powerful defense minister and deputy prime minister, resigned earlier in the day, throwing the cabinet into crisis.

"I believe there would be no problem," Mr. Chatchai said at Bangkok's international airport after a late-night meeting at his residence with the military supreme commander, General Sunthon Khongsomphong, and the chiefs of the army and air force.

Gen. Sunthon told reporters at the airport that the military would maintain security in the country while the prime minister was away. He added that Gen. Chawalit would probably continue to assist Mr. Chatchai even though he no longer held a government post.

Mr. Chatchai is due to return next Tuesday and has apparently left Senior Deputy Prime Minister Phong Sarasin in charge of the government. The premier is to stop in Vienna before going to Washington to meet President George Bush. [passage omitted]

Trairong Explains Comments

BK1206012590 Bangkok BANGKOK POST in English 12 Jun 90 p 5

[Text] Deputy Interior Minister Trairong Suwannakhiri said yesterday he never intended to insult the military and is unhappy about the way his comments have been interpreted.

Dr Trairong last week urged former Army chief Gen [General] Chawalit Yongchaiyut to run in the August 19 by-election in Lamphun after Saman Chomphuthep resigned as MP [Member of Parliament], saying that being elected an MP is not as easy as becoming a general or Army chief. Army-run radio then lashed out at the minister in its commentary, Sayamanusati, describing him as irresponsible.

Dr Trairong yesterday said he was at first startled to learn the Army was angry with him because he never said anything against them. "Four or five days later I came to the conclusion they were angry because they understood I had said that it was easy to become a general. I can assure you that I never said or thought that way."

He said it is widely known by the public that it is difficult for a career soldier to advance to top positions. To get to a top position, especially that of general, soldiers must pass the tough entrance exam to study at Chunlachomklao Military Academy where they must study a wider range of subjects than students in ordinary fields. They must undergo field training. While in military service, they must pass the Army Staff School, must have combat experience and complete other undertakings.

"Our nation survives because of the military's sacrifice; nobody can deny this," he said. "What I intended to point out was that the processes for a special colonel being screened to be a general and for a candidate to be elected MP are different. "While the decision to make the special colonel a general is made by 38 people, the election candidate has to satisfy thousands of people."

He said he did not intend to insult the military, in which his father-in-law is a full general, and felt sorry at being attacked by many Army officers. "They should ask me first what I meant. They acted as a plaintiff and treated me as a defendant and made a verdict without giving me an opportunity to testify. People may be confused.

"I never have ill intentions towards the military and have never offended them. I gave only a comparison because both the military and politics are within the same democratic movement," he said. "I am unhappy to see a lack of understanding.

"I hope the military will understand and believe they will be responsible for the country. This matter should be regarded as being finished," he said. Dr Trairong reaffirmed that he has no personal conflicts with Gen Chawalit.

Chaloem Discusses His Criticism

BK1206012990 Bangkok BANGKOK POST in English 12 Jun 90 p 1

[Text] Minister Chaloem Yubamrung of the Prime Minister's Office yesterday tried to justify his criticism of Gen [General] Chawalit Yongchaiyut, saying he made the remarks because the general had criticised him first. He also said his criticism was directed at Gen Chawalit as an individual and his comments by no means could be interpreted as being levelled against the military as an institution.

Pol Capt [Police Captain] Chaloem said he had drawn a line for himself in playing politics. He said he knew his political boundary, but claimed the issue was expanded because newspapers distorted his comments. "I know the boundary line of my criticism is not to attack the institution."

He insisted the person who criticised the military institution was another Cabinet member—his indirect reference to Deputy Interior Minister Trairong Suwannakhiri.

Capt Chaloem said he had not met Prime Minister Chatchai Chunhawan in the past three weeks. The Premier had no knowledge of his comments but was drawn in by newspapers which, the captain claimed, gave an impression in their reports that the Prime Minister had given him the "green light" to attack Gen Chawalit openly.

He said his remarks were a fair rebuttal of a Cabinet member who had criticised him first at a Thammasat University panel discussion. "I don't know why my comments were expanded. I am a politician and know where to draw my line. I know how to play politics and not fall into a trap of a certain lousy newspaper," Pol Capt Chaloem said.

"I am a politician. It's natural for me to counter when I was criticised by another politician when he criticises me. Why can't I"?

Tension Eases; 'Risk' Remains

BK1206070090 Hong Kong AFP in English 0637 GMT 12 Jun 90

[Excerpts] Bangkok, June 12 (AFP)—Tension sparked by the resignation of powerful Defense Minister General Chawalit Yongchaiyut eased here Tuesday [12 June] following a pledge by the military leadership that there would be no coup in the absence of Prime Minister Chatchai Chunhawan on a visit to the United States.

But diplomats and local commentators cautioned that the crisis was not resolved, and even the risk of a future military overthrow of the government of Mr. Chatchai, who became in August 1988 Thailand's first democratically elected prime minister in 12 years, could not be ruled out.

Editorials in major newspapers urged the leadership of the armed forces to exercise restraint in the wake of the resignation Monday of Gen. Chawalit, who is widely considered as aspiring to succeed the 70-year-old Mr. Chatchai to the premiership. [passage omitted]

But one diplomat, reflecting a fairly widely spread feeling among analysts here, said: "it's not all over yet. What has prevailed is the crucial relationship between the U.S. and Thailand, with the military leadership deciding that the country could not afford to see the prime minister lose face while he visits Washington," the diplomat added.

Coup attempts plagued Thailand until the administration of Prime minister Prem Tinsulanon from 1980 to 1988.

Analysts believe that Thailand's economic boom has helped push the Armed Forces somewhat into the background although the military remains one of the country's power centers.

Thepchai Yun, the editor of THE NATION, blamed Gen. Chawalit for "playing the political game as a military game, by using military protection for survival. The military is still an untouchable institution, and it still wants to have a say in politics. Their mentality has not changed," he said.

In a sign that tension had subsided Bangkok's stock exchange index recovered Tuesday morning, moving upwards more than 20 points by closing time, traders said. The stock market had plummeted Monday after the announcement of Gen. Chawalit's resignation, with the index losing 41.26 points to close at 992.26.

BANGKOK POST Recounts Events

BK1206005590 Bangkok BANGKOK POST in English 12 Jun 90 pp 1, 3

[Text] After a day of political tension sparked by the resignation of Deputy Prime Minister and Defence Minister Gen [General] Chawalit Yongchaiyut, the Armed Forces top brass rallied behind Prime Minister Chatchai Chunhawan last night, pledging their support for his Government.

The three top military leaders—Supreme Commander Gen Sunthon Khongsomphong, Army Commander Gen Suchinda Khraprayun and Air Force Chief Air Chief Marshal [ACM] Kaset Rotchanin—assured the Prime Minister shortly before he left Bangkok on an official visit to the United States that there would be no untoward events during his absence.

Significantly, the collective display of support for the Government by the top military leadership followed a day of demonstrations within army barracks in Bangkok and upcountry provinces as disgruntled unit commanders vented their anger at PM's Office Minister Chaloem Yubamrung for criticising Gen Chawalit over the latter's previous comments on corruption.

Gen Suchinda, who cut short his visit to ASEAN and returned to Bangkok from Singapore yesterday, reaffirmed no one can do anything to the Prime Minister and the stability of the Government. "Soldiers are under the Government and we cannot pressure the Government," Gen Suchinda said after the Prime Minister's plane left Don Muang.

Gen Sunthon, a close friend and classmate of Gen Chawalit, told reporters at the airport that "nothing will happen" while Gen Chatchai is overseas. Gen Sunthon said he told Gen Chatchai the Armed Forces "would look after the situation" while he is away. Thousands of soldiers held separate rallies in Bangkok and in the provinces to voice their dissent against Capt [Captain] Chaloem as military units in the capital were reportedly placed on alert in a show of force to support Gen Chawalit.

Military sources said yesterday the prevailing feeling among soldiers was that the Prime Minister had three options: to reshuffle his Cabinet, resign or dissolve Parliament.

The military show of force, which followed similar action starting at the weekend, had prompted widespread coup rumours and a plunge in the local stock market. But following a day of behind-the-scenes discussions, the military top brass turned up in full force at Don Muang Airport last night to assure the Prime Minister of the Government's stability while he is away.

Asked what the Armed Forces expected the Prime Minister to do with Capt Chaloem and Deputy Interior Minister Trairong Suwannakhiri—who also came under military criticism because he said being an army chief is easier than becoming an MP [member of parliament]—Gen Sunthon said:

"This is up to the Prime Minister. We won't interfere and will give the Prime Minister the freedom to decide (what to do)."

Gen Sunthon said he had ordered soldiers to remain in their respective positions. But if they want to express their feelings, they may do so but must remain in their barracks, Gen Sunthon said.

Commenting on the "insults" from Capt Chaloem, Gen Sunthon said the issue should end, adding that the Armed Forces will continue to support the Government. Air Chief Marshal Kaset gave an assurance the military "will not mobilise," adding a coup d'etat was outdated. "The situation is back to normal and the military will not pressure the Government," ACM Kaset said.

ACM Kaset said, however, the military has already acted concerning its honour and dignity. But if a similar situation occurs again, he does not know what will happen as this would affect the stability of the Government.

Gen Chatchai, apparently pleased, allowed reporters to take photographs of himself, the top military brass and the Cabinet at the airport. "See how everything is here. See how at ease I am," Gen Chatchai said. Asked to comment on Gen Chawalit's resignation, Gen Chatchai said: "Enough."

The Prime Minister said there would be no Cabinet reshuffle at this stage, adding that the next Defence Minister will be a military man.

Informed sources said last night that Gen Suchinda, Gen Sunthon and ACM Kaset met Gen Chatchai at his Soi Ratchakru residence about 9.00 p.m. yesterday to assure him of armed forces' support and that he should not worry about his overseas trip.

The sources said Gen Sunthon, ACM Kaset and First Army Region commander Lt-Gen [Lientenant General] San Sipen arrived at the Prime Minister's home at 8.00 a.m. to inform Gen Chatchai of Gen Chawalit's resignation. They told the Prime Minister that Gen Chawalit believed he was behind Capt Chaloem's comments and was saddened by this.

Gen Chawalit, the sources said, had proposed that Gen Phat Akkhanitbut be appointed Defence Minister in his place.

In his resignation letter, Gen Chawalit said he decided to quit because he realised that he could not help solve the country's problems as he had intended to.

He stated in his resignation latter he had intended to devote himself physically and mentally to do his best to help the Prime Minister rapidly solve the country's long-accumulated problems. "Now, I have considered that if the situation remains as it is, I will not be able to help solve the national problems as I originally intended to. I, therefore, relinquish all duties as Deputy Prime Minister and Defence Minister, effective immediately," said Gen Chawalit in his letter.

The resignation was dated June 11. Sources said that the letter was handed to the Prime Minister's Office yesterday morning by a close aide.

Gen Chawalit reportedly sent his aides to collect his belongings from his office at Government House yesterday morning. The general remained at his home throughout yesterday and did not attend the special Cabinet meeting.

Several senior military officers, earlier yesterday, also called on Gen Chawalit at his Suan Phuttan residence after learning about his resignation decision.

Talking to reporters earlier yesterday, Gen Chatchai emphasised the problem would not have any impact on Government stability.

An informed Government source said Prime Minister Chatchai learned of Gen Chawalit's resignation half-an-hour after he chaired the Cabinet meeting. The Prime Minister, who arrived at Government House about 30 minutes later than usual for the Cabinet meeting, assigned Deputy Prime Minister Phong Sarasin to go ahead with the meeting.

The source said Gen Chatchai, on learning of Gen Chawalit's resignation, left the meeting room and instructed his policy advisers to contact Gen Chawalit to urge the latter to call off his planned resignation, but Gen Chawalit confirmed he wanted to resign. Then the Prime Minister returned to the meeting room without saying anything. He did not inform the Cabinet on Gen Chawalit's resignation.

Gen Suchinda went immediately to Government House to meet Gen Chatchai after he arrived back in Bangkok. He said he had been instructed by Gen Chatchai by telephone to cut short his visit, but denied after meeting Gen Chatchai yesterday afternoon that the discussion touched on Gen Chawalit's resignation.

Prime Minister Chatchai, after meeting Gen Suchinda at Government House yesterday afternoon, said he had already received Gen Chawalit's resignation. He reaffirmed his US trip is still on.

Gen Chatchai then flew to Hua Hin to inform His Majesty the King about Gen Chawalit's resignation, and issued a brief statement read out on television last night that the resignation had received Royal approval. Permanent Secretary for Defence Gen Wanchai Ruangtrakun was assigned to act for the defence minister, pending the appointment of a new minister.

Earlier yesterday, a reliable military source said that a deputy prime minister yesterday contacted senior military officers to express his concern over the military show of force.

A source close to the Premier reaffirmed when asked by the BANGKOK POST last night: "The Prime Minister is in control."

Asked for his comment about the military's show of force yesterday, the source said since the military started the rallies, it was their job to end them.

Another source close to the Prime Minister dismissed reports earlier yesterday that Gen Chatchai would resign or dissolve Parliament. They also said that no action will be taken against Minister Chaloem since the matter was of a personal nature between him and Gen Chawalit.

"The military is demanding something that is impossible to carry out. How can you fire Chaloem for this reason? It's silly," one source said.

Gen Chawalit apparently played a key role in easing the situation. He was quoted by a senior Army officer as informing angry Army commanders he had pledged to uphold democracy and he would honour his words. "He said he is willing to suffer all the pain by himself to protect democracy. He said he had mentioned that he would uphold democracy and it was not right to overturn the chess board to stop the game," the officer quoted Gen Chawalit as saying.

BANGKOK POST Comments Further

BK1206013190 Bangkok BANGKOK POST in English 12 Jun 90 p 4

[Editorial: "Too Much at Stake To Let Rift Widen"]

[Text] Until yesterday, Thailand could confidently claim to be the model country of Southeast Asia. Politically, this country has come a long way in its overall democratisation process. Despite many shortcomings in the electoral system, the social pluralism and relative political stability here have transformed Thailand from a sleepy agrarian-based backwater into a force to be reckoned with in the developing world. The successive years of high economic growth have made this country the envy of most other neighbouring states.

But all of a sudden yesterday, it looked as though all these impressive accomplishments could go up in smoke. The unexpected resignation by Deputy Prime Minister and Defence Minister Gen Chawalit Yongchaiyut precipitated a political crisis that threatened the Government's political stability. More seriously, a successive series of "shows of force" by army units in Bangkok and the provinces through the course of yesterday generated an overall atmosphere of political tension and uncertainty.

The apparently coordinated activities within the various military barracks seem to have one common objective: exerting pressure on Prime Minister Chatchai Chunhawan to sack PM's [Prime Minister's] Office Minister Chaloem Yubamrung who was accused of insulting the honour of the military establishment through his stinging attacks on Gen Chawalit over the latter's earlier remarks on corruption. By last night, just hours before the prime minister was scheduled to leave for an official visit to the United States, a confrontational situation still loomed between the Government and the military leadership over Minister Chaloem's political future.

There is no dispute that the tension and uncertainty prevailing throughout yesterday was harmful to the country as a whole. Widespread political jitters triggered panic selling on the Bangkok stock exchange, resulting in one of the largest single-day declines in recent memory.

Clearly, the adverse consequences—in terms of undermined business confidence and a less favourable investment climate—will become even more serious if such tension and uncertainty are not quickly brought to an end.

Even before the latest uproar involving the Chawalit-Chaloem conflict, the prime minister had promised to effect a Cabinet reshuffle following the forthcoming parliamentary no-confidence debate after his return from the U.S. The need for ministerial changes is made all the more obvious after Gen Chawalit's resignation yesterday. It is now the duty of the military leadership to restore calm by ordering a halt to any activities that could fuel further anxiety.

The military establishment has a direct stake in doing so. Unit commanders may well wish to vent their anger at Minister Chaloem and demand reparation for something which they perceive to be damaging to the dignity of their institution. But they should also realise where the proper boundaries lie and refrain from action that could jeopardise the larger public interest.

A similar show of force following the conflict between then prime-ministerial policy adviser M.R. Sukhumphan Boriphat and Gen Chawalit last August did little to enrich the military's image. This time around, the military also stands to do more harm than good to its reputation in the eyes of the public if it continues flexing its muscles.

Thai democracy has come a long way and it is the duty of all parties concerned—civilian as well as military establishments—to collectively contribute to its further progress. Gen Chawalit and army Commander Gen Suchinda Khraprayun will do a geat service to the country by exercising restraint and reason, and by telling their subordinates to do the same.

Paper Castigates Military

BK1206003390 Bangkok THE NATION in English 12 Jun 90 p 1

["Page One Comment: 'Dignity' versus Democracy"]

[Text] In the name of "dignity," army commanders yesterday orchestrated a show of force in defence of their former boss, Gen [General] Chawalit Yongchaiyut. Their battle cries were "our patience is running thin" and "dignity comes before discipline." Their calls came at the same time Chawalit submitted his resignation as deputy premier and defence minister, claiming he could no longer work under existing circumstances.

While Chawalit maintained his silence before and after his resignation, several army officers made clear they were upset by "insults" thrown at Chawalit by two ministers—one who accused the general of corruption. They were also angry about the prime minister's failure to defend Chawalit from the attacks.

We wondered why Chawalit accepted the prime minister's invitation to join the government in the first place. Yesterday Chawalit stated in his resignation letter that he joined because he wanted to help tackle corruption, which he described as "the chronic national problem." But he said he had to resign because existing circumstances prevented him from doing his job.

So Chawalit is gone, apparently without making a dent in the corruption problem.

Now we hear the army clamouring about "bad politicians." There were reports that several army officers called for the firing of at least one minister—PM's [Prime Minister's] Office Minister Chaloem Yubamrung, Chawalit's foe—whom they believe made Chawalit's job impossible.

Undoubtedly the quality of some politicians in the Chatchai Cabinet is far from satisfactory. The prime minister must shoulder the responsibility of keeping these unqualified politicians in his administration. But the prime minister himself doesn't seem to be in full control of even his own Chat Thai ministers, let alone ministers from other coalition parties. His failure to make Interior Minister Banhan Sinlapa-acha toe his line to unconditionally abolish Decree 42 is a case in point.

Forcing the prime minister to sack one or two ministers is to address the problem at the wrong spot. The source of poor politicians is in the electoral system, specifically the widespread vote-buying in general elections. If the army is seriously concerned about corruption and "bad politicians," the army should push for electoral reforms and join other interest groups in monitoring the next general election to stop all forms of cheating.

Army officers like to claim they support democracy and "stand by the people" on all issues. What they often forget is that in a democracy, the military must submit to civilian control. In other words, they must neither intimidate nor challenge the authority of an elected civilian government. What they did yesterday showed that they not only rejected civilian control but also demanded a final say in the life and death of the government. This is undemocratic and poses a serious threat to our fragile democracy. Or is "dignity" the only thing that the army is worried about?

Paper Urges Mending of Rift

BK1206112390 Bangkok MATICHON in Thai 12 Jun 90 p 8

[Editorial: "The Situation Calls for a Leader"]

[Text] The recent remarks by the ministers in the coalition government have caused great dissatisfaction within the military circle. Military officials have staged rallies to protest the remarks thus creating fast-growing political tension which could continue for some time. Leaders of the government, political, and military institutions must urgently cooperate in finding ways to quickly ease the tension. In doing so, they must understand one another.

The longer the situation remains ambiguous, the more adverse will be the effect both politically and economically.

General Chatchai Chunhawan, as leader of the government, leader of the biggest political party in the House of Representatives, and mediator of the sides to the conflict, should do something quickly to show his leadership and to normalize the situation. He must not see the incident as an isolated event and regard it as "no problem."

Although the current situation is somewhat of an isolated event, it has gradually become a more and more serious political issue. The "no problem" palliative approach will not only be an obstacle to relaxing the tension but will even make things worse. The idea of allowing the situation to improve on its own can no longer work. However, all sectors must coordinate in order to maintain the democratic and other significant national institutions, which form the foundation for the country's further development. Each side must keep an open mind, ready to accept criticism from others. Such actions, however, must be conducted in a proper manner and within limits. They must not be in a manner that causes insult or discredit. The elected members of the House of Representatives should not use the qualification of being elected as a way to verbally undermine others.

They should bear in mind that the current political situation may have great repercussions on the economy and investment in the country. The incident has caused a sudden and sharp fall in share purchases on the stock market. The stock investors are afraid that the effects of such a calamity will play out for some time. It could affect Thailand's accepting a commitment to Article 8 of the International Monetary Fund, and could cause an outflow of investment. If so, Thailand's aim to greatly benefit from such a commitment would not be achieved.

Therefore, all sides concerned in the current political incident must be seriously aware of possible repercussions and must put the country's welfare first. The methods used to solve the problem must not cause to deteriorate the peoples' faith in the country or the international community's trust in Thailand's political stability and national economy. This event is a valuable lesson for both the political and military circles: From now on, they must perform their duties and behave themselves appropriately. They should respect each other. The relations between the military and political institutions should be improved in a way that will result in them having a more constructive attitude toward one another. They should no longer aim to destroy each other as if they were bitter enemies.

Minister Says Government Stable

BK1206132390 Bangkok Domestic Service in Thai 1200 GMT 12 Jun 90

[Text] After presiding over a ceremony to confer the rank of police second lieutenant on policemen at the Police Cadet Academy this afternoon, Interior Minister Banhan Sinlapa-acha granted an interview to newsmen. On the current political situation, the minister said that there was no problem. Stock prices went up today. Banhan dismissed rumors about the planned resignation of certain ministers, stressing that the government is stable. Asked whether this means that there will be no cabinet reshuffle after the prime minister returns from the United States, Banhan said that he has no opinion on this issue. A cabinet reshuffle will depend on the prime minister.

Asked whether or not former Deputy Prime Minister General Chawalit Yongchaiyut will rejoin the government, Banhan replied that he did not know, saying that he could not answer this question.

Asked who will be appointed to take up the post of defense minister, the interior minister said that it would depend on the prime minister. Or, the prime minister may serve as the acting minister for a while.

Solidarity Party Wants Chawalit

BK1206090690 Bangkok First Army Division Radio in Thai 0805 GMT 12 Jun 90

[Text] Bunchu Rotchanasathian, deputy leader of the Solidarity Party, told the First Army Division Radio correspondent that the party has assigned Wira Musikaphong to negotiate with General Chawalit to join the Solidarity Party following his resignation from the posts of deputy prime minister and defense minister. It is entirely up to Gen. Chawalit whether or not he accepts the offer.

Bunchu noted that although rumors are rife that Gen. Chawalit would join the Solidarity Party in order to contest in the coming by-election in Lamphun Province, held as a result of Member of Parliament Saman Chomphuthep's resignation, Gen. Chawalit still holds the political position of senator, and if he wants to run in the by-election he will have to resign this post. According to the law, senators cannot become candidates in parliamentary elections.

According to our correspondent, the Solidarity Party meeting continues as usual, preparing for tomorrow's house session.

Chawalit's Whereabouts Unknown

BK1206094090 Bangkok First Army Division Radio in Thai 0905 GMT 12 Jun 90

[Text] Our correspondent reported from Ban Suan Phuttan [General Chawalit Yongchaiyut's residence] that at 1445 today, a group of military housewives from Bangsai, led by Sublieutenant Suphot Wandi, president of the War Veterans Settlement in Bangsai, arrived there to express moral support for General Chawalit Yongchaiyut, former prime minister and defense minister. Sublieutenant Suphot said that he was once a subordinate of Gen. Chawalit when he was posted to a unit near the border. The War Veterans Settlement in Bangsai also received constant help from Gen. Chawalit through the War Veterans Organization.

According to the correspondent, Gen. Chawalit left home in the morning and his whereabouts have not been known since. A large number of reporters are waiting in front of Ban Suan Phuttan in order to get a chance to interview him. Since returning from Japan as an observer at the Cambodian peace talks, and following his resignation from his ministerial posts, Gen. Chawalit has not given any interviews.

Loei Governor Says Border Closure Temporary

BK1006033290 Bangkok BANGKOK POST in English 10 Jun 90 p 2

[Text] Loei—The indefinite closure of the Thai-Lao border in this province will have no effect on Thailand as the checkpoint in Chiang Khan District normally opens on Tuesday and Thursday only, the provincial governor said yesterday. Governor Sirat Harirak said Laos had ordered the closure of its checkpoint since Thursday [7 Jun].

Capt [Captain] Sirat said he had received a letter from Thao Somchin Inthavong, governor of Meuang Sanakham, saying it was necessary for Laos to close the border opposite Loei because of the internal situation in the wake of fighting between government troops and right-wing resistance forces. He expects the border closure to be temporary.

Capt Sirat has sent messages to all district officers along the border to warn villagers against crossing into Laos. He added that Laos recently sent troops to reinforce areas opposite Loei's border districts.

Vietnam

'Essence' of New U.S. Military Strategy Viewed

BK1206031590 Hanoi International Service in English 1000 GMT 11 Jun 90

[Station commentary]

[Text] The process of disarmament has been obtaining initial yet encouraging results, and against this background, Washington has announced its plan for regearing military strategy. What is the essence of this? Here is our commentary:

In the past decades, the arms race has been an unbearable drain on resources of countries involved, including the United States. Also Washington could no longer turn a deaf ear to growing public demand for an end to military buildup and for U.S. response to Soviet moves in disarmament. It is safe to say that Washington has planned to readjust its military strategy from a passive position. Imperialism is trying to beautify its image, making it more acceptable despite the unchanged aggressive nature. Now that the Soviet Union has stopped its military buildup to concentrate on solving economic difficulties, Washington deems it a rare opportunity to gain the upper hand in the military balance in the hope of dominating the world from a position of strength.

While the Warsaw Treaty countries are experiencing major challenges, the U.S. and other western countries strive to consolidate the North Atlantic Treaty Organization. Their intention became obvious with the insistence that a future unified Germany should be a NATO member. This is one of the two hard nuts at the recent Washington summit between President Gorbachev and President Bush. At this summit the U.S. side stuck to its stance that a unified Germany should be a NATO member while the Soviet Union held that a unified Germany should be neutral.

The U.S. plan for strategy readjustment is to be carried out within the framework of a new global strategy, called beyond containment, proposed by President George Bush a year ago. Although this U.S. strategy bears the hallmark of the so-called peaceful evolution which characterizes the beyond containment strategy, it does not contradict the competition strategy proposed by the Pentagon on 25 September 1988. The aim of this strategy was to win military superiority in a new world in which a nuclear war is unlikely to break out and the U.S. has got better technology. This strategy advocates the modernization of conventional arms and other sophisticated weapons such as laser, stealth bomber, and others.

Regarding regional conflicts, the U.S. holds that it is necessary to have a powerful yet highly mobile task force for what they call low intensity conflict—LIC—as evidenced in the U.S. invasion of Panama in December 1989. With its military victory in Panama, Washington believes that LIC is the most suitable remedy for U.S. intervention in regional conflicts. Against the background of international detente, Panama's lost independence serves as a warning to peoples in their struggle for national independence and sovereignty. The events in Panama show that peaceful evolution not only includes economic and ideological measures but military means, including the use of a highly mobile task force for rapid victory. In any case, the imperialists' goal is the same: to enslave other nations. Reality shows that, despite detente, the world politics remain very complicated due to the sinister designs of imperialist forces. The struggle for peace, progress, therefore, is sure to face new challenges.

PRC Official Reportedly Ends 'Unofficial' Talk

OW1206093890 Tokyo KYODO in English 0923 GMT 12 Jun 90

[Text] Hanoi, June 12 KYODO—Xu Dunxin, China's assistant foreign minister in charge of Asian affairs, ended unofficial two-day talks with Vietnamese Deputy Foreign Minister Tran Quang Co and other government officials Tuesday, a Vietnamese Foreign Ministry official said. Details of the talks were not disclosed but informed sources said the discussion appears to have centered on the Cambodian problem and resuming talks among bilateral vice foreign ministers that were suspended in May 1989.

Xu, who arrived in Hanoi on Saturday, will go to Ho Chi Minh City on Wednesday and return to Beijing on Friday via Bangkok, the official said. Xu was the most senior Chinese official to visit Vietnam since the 1979 border conflict between the two countries. China and Vietnam reportedly narrowed some of the their differences on Cambodia after Vietnamese Deputy Foreign Minister Ding Nho Liem visited China in May.

Vo Van Kiet's Visit to Sweden, Finland Reviewed

BK0906093990 Hanoi VNA in English 0724 GMT 9 Jun 90

[Text] Hanoi VNA June 9—Vice Chairman of the Council of Ministers Vo Van Kiet's tour in late May of Sweden and Finland is a new development in the relations between Vietnam and northern European countries, says an article in TUAN TIN TUC on June 6.

Reviewing the tours, the article says that in Sweden, the Vietnamese delegation had feasibility studies on cooperation in electric power industry, paper industry, forestry and communications. The Vietnam Airlines on this occasion discussed with the Swedish company SAS [Scandinavian Airlines System] possibilities of cooperation in this field.

In Finland, talks were held between the two sides on cooperation in ship building and repair, navigation, production of fertilizer, insecticide and chlorides and water supply and drainage.

The Vietnamese delegation invited some Danish companies to Sweden to talk on bilateral cooperation in sugar and cement production.

The tours to Sweden and Finland, the article notes, showed their deep sympathy towards the Vietnamese people, and their sincere wish to promote cooperation with Vietnam.

All Vietnamese Workers in Bulgaria To Return

BK0906101190 Hanoi VNA in English 0737 GMT 9 Jun 90

[Text] Hanoi VNA June 9 - Vietnam and Bulgaria will work out a detailed plan this month to repatriate all Vietnamese labourers in Bulgaria within a period of time from now till the end of 1992 in an organized and orderly manner.

This was mutually agreed upon at the talks held in Sofia most recently between a Vietnamese government delegation led by Tran Dinh Hoan, minister of labour, war invalids and social welfare, and a Bulagarian government delegation led by G. Nachev, chairman of the Bulgarian Labour and Wage Committee. The two sides also agreed that Vietnam and Bulgaria would not (not) sign new labour contracts in 1990 due to the changes in the Bulgarian situation.

At present, about 23,000 Vietnamese are working in Bulgaria of which 65 percent are construction workers.

Arab Summit Hailed; Israel's 'Crimes' Condemned

BK0906095590 Hanoi VNA in English 0727 GMT 9 Jun 90

[Text] Hanoi VNA June 9—The leading Vietnamese daily NHAN DAN today says that the final declaration of the just concluded Arab summit in Baghdad is a major success indicating the solidarity and coordination of actions among the Arab countries against Tel Aviv's new maneuvers.

The paper continues: "The success of the summit once again shows that the Arab countries have more and more clearly realized the fact that the strengthening of their solidarity, unity and coordination of actions will make them strong enough to prevent and repel and foil all dark schemes of the enemy."

"Once again we strongly condemn Israel's crimes against the Palestinian people as well as its Jew settlement policy and its threat of aggression against the peoples of Iraq, Libya and other Arab countries at present," NHAN DAN says in conclusion.

Japanese Firm Opens Office in Ho Chi Minh City

BK0906100590 Hanoi VNA in English 0736 GMT 9 Jun 90

[Text] HAnoi VNA June 9—Another Japanese company named Taikom-Nichirei has opened its representative office in Ho Chi Minh City.

The company has established trade ties on sea products and exchanged techniques with Vietnam since 1986. Its present consumption of frozen shrimps accounts for 25 percent of Vietnam's total amount of frozen shrimps exported to Japan annually.

Indochinese Machinery Exhibition Opens 8 Jun

BK0906093590 Hanoi VNA in English 0657 GMT 9 Jun 90

[Text] Hanoi VNA June 9—A machinery exhibition of the three Indochinese countries was held in Ho Chi Minh City yesterday jointly by the city's Fair Company, the Mecanimex Company under the Ministry of Engineering and Metals, and the Thai Reed Tradex Company.

On show are products of more than 30 foreign companies. The exhibition is aimed at creating conditions for machinery manufacturers to sound out the customers' demands and improve the production of machinery to be exported to the Indochinese countries, especially farm tools used in the Mekong River Delta.

Army Paper Discusses High Desertion Rates

BK0706122590 Hanoi QUAN DOI NHAN DAN in Vietnamese 25 May 90 pp 1, 4

[Mai Nam Thang's report]

[Text] This year marks the third time the Ta Sanh Army Brigade received and organized training for the new recruits from Quang Ngai, Binh Dinh, Phu Yen, and Khanh Hoa Provinces. As in the past, this year's desertion rates have continued to increase. The first month alone witnessed some 34 percent of conscripts deserting the brigade, with up to 50 percent fleeing some units at a certain time.

Most of the deserters have tried to cast the blame on hardships, life of deprivation, and cadres' authoritarianism and brutality.... Many people and even a number of cadres in charge of local military affairs have voiced the same opinion. What is the truth of the matter? In Quang Ngai Province, 20 percent of the recruits deserted their unit the day they were enrolled. In a number of districts in Phu Yen and Khanh Hoa Provinces, dozens of the new recruits deserted while being taken to reception areas. So, is it correct to say that "hardships, life of deprivation, and cadres' authoritarianism and brutality" at training centers are the causes leading to high desertion rates? This year, the Ta Sanh Army Brigade has received an additional number of new recruits from Quang Binh and Quang Tri Provinces. So far, the desertion rate of these two provinces has remained very low—less than three percent. In the meantime, reports from the various training centers in the 5th Military Region and the Navy have indicated fairly high rates of desertion among new recruits from the aforementioned four provinces. How can we explain the difference? It is also worth noting that since the brigade was based in Binh Dinh Province, many of the new recruits lived only a few kilometers from their homes. Frequent visits were made by their relatives and the new recruits themselves were allowed to go home several times a month. Nonetheless, some of them never returned to their units following those family visits. Thus, it cannot be said that "homesickness" and "missing of friends" are causes of desertion.

Obviously, the causes do not rest only with the units concerned but also with the weaknesses and shortcomings displayed by officials in charge of the local troop recruitment. Furthermore, these causes must be traced back to the failure of the campaign to educate the masses on the obligation to participate in the all-people national defense as well as to a lack of close coordination between the various echelons, sectors, and mass societies in motivating the entire people to implement the law on selective service and in helping youths of draft age stand ready to fulfill the task of defending the fatherland.

The results of our surveys at a number of units of the Ta Sanh Army Brigade have indicated that the overall quality of new recruits was very low in terms of physical fitness, educational background, and political enlightenment. Results of a final check at the 866th unit have shown that of the 491 newly received recruits, 99 were physically unfit and four were illiterate. In addition, many said they had completed Level 1 education but actually could not read and write well. Directive No. 1703/QP-NV has been issued to serve as troop recruitment guidelines. Nonetheless, each year a number of localities have continued to fulfill troop recruitment targets with youths who failed to meet political norms and even with youths who were serving court sentences or who were subjected to court proceedings. Most of the recruits interviewed told us they knew nothing about the law on selective service. Many of them simply defined the law on selective service as "the obligation to fulfill a three-year military service." Some even compared the current desertion with what their fathers and older brothers had done in the past to evade the pressgang under the U.S.-puppet regime....

These localities, first of all provincial and district military organs, have been fully aware of those facts. Nonetheless, because local troop recruitment officials have met with fairly difficult problems over the past years, the military organs concerned had to "accept" those facts on the condition that the localities would meet the assigned recruiting quotas. As a result, it was the policy of almost all of the localities concerned not to let recruit-receiving cadres make on-the-spot and case-by-case checks, but only to allow them look at the files at the district troop recruitment offices. This is what we have learned from Comrade Le Van Hoa, a troop recruitment cadre at the Khanh Hoa Provincial Military Command: Local officials cited certain "objective and subjective" causes. Nonetheless, they actually wanted recruit-receiving cadres not to make an on-the-spot "rejection of the unqualified candidates." It is also the very attempt to meet the assigned recruiting quotas that has given rise to such phenomena as "pressgang" in Van Ninh District (Khanh Hoa Province) or "detention" in a number of districts in Quang Ngai Province where new recruits were herded into confined areas for two to three days before being taken to reception areas. According to a report filed by the Ta Sanh Army Brigade Political Section, a number of local military organs have also tried to "pressurize" recruit-receiving cadres into accepting new recruits on a non-selective basis.

Another cause of equal importance is the lack of close coordination between the units, localities, and families concerned in the management and education of recruits. Due to poor knowledge and lack of mutual understanding, local military organs and army units could not reach unanimity in determining the causes leading to negative phenomena. Worse still, they tried to "cast the blame" on one another and even questioned the motives behind well-intentioned deeds. Captain Nguyen Van Duoc of the 11th Battalion said: The battalion command had on four occasions reported to a certain locality on the very high desertion rates among recruits from that locality but no reply was received. Major Le Van Be, deputy commander of the Fourth Regiment, complained: Since the regiment was stationed nearby, hundreds of families came to see their relatives every week. Nonetheless, none of the visitors cared enough to meet and discuss with the officers in charge their relatives' learning and training activities. Worse still, some of them even managed to exert a bad influence by spreading false rumors, by encouraging their relatives to desert, or by providing them with a great deal of money so they could engage in a "spending spree," thus adversely affecting the unit's personnel management....

However, it must be said that as far as the Ta Sanh Army Brigade is concerned, there is still much room for improvement when it comes to management and training of new recruits. For example, the brigade still needs to learn more about ways to train new recruits from the southern province as well as to improve the quality of the contingent of squad and platoon leaders, which is both small in size and poorly qualified. In addition, the brigade should see to it that units get enough water for daily consumption, that rice is properly processed, and that meals are well cooked.... Anyway, in our opinion, instead of trying to "cast the blame" on one another, all parties concerned should urgently work out effective measures aimed at securing proper management of new recruits and at putting an end to the current mass desertion. It would be a good idea to organize a meeting at the Ta Sanh Army Brigade Headquarters for local military organs, administrative bodies at all levels, and various mass organizations and services like Youth Union organizations, Women Union organizations, peasants associations, public security services, the court, and grain and food supply services. This meeting could discuss concrete ways to help army units overcome material difficulties, to strongly deal with violations of the law on selective service, to resolve the unemployment problems facing discharged soldiers, and to satisfactorily implement the rear-army policy so as to boost the morale of members of the Armed Forces.... At the same time, efforts are needed to step up propaganda and educational activities among the people. In this way, conditions will exist for reducing the current high desertion rates and for creating the premises for achieving higher troop recruitment results in the days to come.

Vo Nguyen Giap Attends Ho Chi Minh Symposium

BK0806140990 Hanoi International Service in English 1000 GMT 7 Jun 90

[Summary] "The symposium under the theme 'President Ho Chi Minh and the Revolutionary Press' was organized in Hanoi on Wednesday, 6 June, by the Vietnam Journalist Association. This was one of the activities in celebration of the centenary of President Ho Chi Minh's birth and in preparation for the coming 65th Vietnamese Press Day.

"The symposium was attended by more than 100 journalists throughout the country and leaders and representatives of the authorities and cultural officers. A representative of a Japanese newspaper AKAHATA was also present at the symposium and delivered his report on President Ho Chi Minh and AKAHATA newspaper. All the reports at the symposium affirmed that president Ho Chi Minh was the first proletarian journalist in Vietnam, and he was also one of the greatest journalists of Vietnam." During 50 years from 1909 to 1959 he wrote about 2,000 articles of different topics in different languages and under different pen names. His articles were published in many newspapers.

"Addressing the symposium, Vice Chairman of the Council of Ministers Vo Nguyen Giap noted that the important tasks of the Vietnamese journalists were to make contributions to the national unity and to defending national independence and socialism. He added that the press is an efficient instrument of the current renovation in the country and so it must renovate itself."

Ha Tuyen Provincial Party Cadre Conference Held

BK0906093090 Hanoi Domestic Service in Vietnamese 0500 GMT 7 Jun 90

[Text] The party committee of Ha Tuyen Province recently held a conference of key cadres there to thoroughly learn the party Central Committee's eighth plenum resolution and to disseminate its own resolution on the implementation of the eighth plenum resolution. Many views were advanced to profoundly analyze the causes of the people's declining confidence in the party, which has led to the fact that many of the adopted resolutions, guidelines, and policies have not been implemented effectively at the grass-roots level and many cadres have become corrupt and less exemplary in performing their duty. All the participants in the conference frankly expressed their views and unanimously agreed with the socioeconomic, security, and national defense guidelines and tasks presented by the provincial party committee.

Also on this occasion, the party committee of Ha Tuyen Province continued to discipline party members who have accepted rewards at variance with the principles prescribed for awarding 11 million dong at the farmland irrigation service enterprise of Yen Son District. Two members of the party organization who were served warnings are the party committee's deputy secretary, who is concurrently the people's committee chairman of Yen Son District, as well as the secretary of the party organization, who is concurrently deputy director of the agriculture and forestry service.

Report on Government Directive on Mass Societies

BK0906114590 Hanoi Domestic Service in Vietnamese 2300 GMT 7 Jun 90

[Text] The Council of Ministers issued a directive on 5 June 1990 to enforce compliance with the state stipulations on the establishment, organization, and operation of mass societies. The directive stipulates: As yet, our state has authorized the establishment of 124 mass societies, including 41 friendship associations operating countrywide and 300 associations or more operating in provinces and cities under the direct control of the central government.

Under the party leadership and the state management control, many of the mass societies have operated with practical results and have complied with the state law and their own regulations. However, some of the societies have recently operated at variance with the state stipulations.

The Council of Ministers chairman requests all echelons and sectors involved and all societies to henceforth comply with the stipulations on the establishment of societies. The organization and operation of mass societies are stipulated in law No. 102-SL-1004 dated 20 May 1957, decree No. 208-CTG dated 14 June 1957, and directive No. 01 dated 5 January 1959 of the Council of Ministers chairman.

Mass societies and clubs of characteritics similar to mass societies must complete adequate procedures for requesting authorization for their establishment and only after receiving such authorization can they operate. They must comply with the state law and their own regulations and correctly report on their activities to the authorized agencies. Any change in their regulations must be reported to the agencies that have authorized their establishment. In conducting their foreign trade and their production and business, they must correctly comply with the current state stipulations. The government's Cadre Organization Committee is dutybound to guide and control the implementation of this directive.

Thanh Hoa Police Call on Criminals To Surrender

BK0906112590 Hanoi Domestic Service in Vietnamese 0500 GMT 7 Jun 90

[Text] During the third phase of implementing Directive 135 of the Council of Ministers, the police of Thanh Hoa Province closely coordinated with various sectors and authorities at all levels and with mass media and propaganda agencies to motivate those families with criminal members still at large to urge the criminals to surrender in order to benefit from the state leniency policy.

As of late May, some 60 criminals charged with such offenses as stealing and plundering the properties of the people and the state, murdering, destroying the lines of communication, and disturbing public order, had surrendered themselves at various police stations and the people's committee headquarters. At present, the police of Thanh Hoa Province, together with various mass organizations and the administration at all levels, are deriving experiences to overcome past shortcomings so the motivation of criminals to surrender themselves can become regular, thus firmly helping maintain social security, order, and safety.

State, Credit Bank Regulations Announced 5 Jun

BK0806112390 Hanoi Domestic Service in Vietnamese 1100 GMT 6 Jun 90

[Text] The Office of the National Assembly and the Council of State on 5 June held a news conference in Hanoi to introduce regulations on the Vietnam State Bank and regulations on credit cooperative banks and financial corporations approved by the Council of State on 23 May.

The regulation on the Vietnam State Bank is composed of 55 articles in seven chapters. Chapter one deals with the general clause which stresses that the Vietnam State Bank is an organ of the Council of Ministers and is charged with the function of state management in controlling money circulation and banking credits throughout the country. This is aimed at stabilizing the value of money. The bank is the only organ charged with the duty of issuing money in our country.

The regulation on credit cooperative banks and financial corporations is composed of 51 articles in eight chapters. Chapter one is the general clause stipulating various forms of credit that can be granted by the following establishments: the commercial bank, the state-run commercial bank, the partnership commercial bank, foreign banks, joint venture banks, banks for investment and development, credit cooperatives, and financial corporations.

These two regulations carry comprehensively new contents. They are important legal documents for reference and use by various banks. As a result, the State Bank must reorganize its structure and revise operational procedures for credit agencies. These two regulations will be effective 1 October 1990.

At the same news conference, Comrade Vu Mao, head of the office of the National Assembly and the Council of State, briefed those assembled on the tentative agenda of the eighth National Assembly's seventh session.

Compensations Decreed for Change of Land Usage

BK0806134190 Hanoi Domestic Service in Vietnamese 1430 GMT 4 Jun 90

[Text] Pursuant to Article 46 of the Law on Land of the Council of State, the Council of Ministers has recently issued a decision on the payment of compensation when agricultural and forested lands are used for other purposes. The decision has the aim of ensuring rational and economical land utilization and making up for the resultant losses.

The decision clearly specifies: Every organization or individual using agricultural or forested land for other purposes is required to pay compensation to the state for losses resulting from such a change in land usage as well as to the current legal users of the lands for the properties situated on or under the lands concerned. The rates of compensation shall be computed on the basis of the surface area, quality, and location of lands or forests. Compensations shall be paid in paddy or money; their amounts shall also depend on whether the lands in question will be permanently or temporarily used for other purposes.

People's committees of provinces, municipalities, and the special zone shall set the appropriate rates of compensation for application in each precinct or district and each city or municipality under their jurisdiction. However, these rates must be neither lower nor higher than the established rates. Prices of paddy used for compensation payment shall be the current local market prices.

When agricultural or forested lands are used for the construction of irrigation or communication systems, the rates for compensation shall be reduced depending on the type of service of each project. For instance, a reduction of 50 percent shall apply for the construction of railroads and highways, including provincial and district highways. Large irrigation projects shall qualify for a reduction of 50 percent, medium-sized ones 30 percent, and small ones 20 percent. Empty land spaces, office buildings, railroad terminals, and bus stations, and other auxiliary facilities belonging to communication and irrigation projects, do not qualify for this reduction. In special cases where agricultural or forested lands are used to meet the exigencies of war or to control natural calamities as decided upon by the authorities in accordance with Article 15 of the Law on Land, no payment of compensations is required.

Compensations for losses concerning the use of agricultural or forested lands must be paid in full and at one time into the state budget before the lands in question are released; they will be divided between the two budgetary levels with 30 percent going to the central budget and 70 percent to the local budget.

The decision also specifies the payment procedures and the method for verification. This decision does not apply to foreign nationals, joint ventures between Vietnam and foreign countries, or foreign economic organizations having investments in Vietnam, whose allotted agricultural or forested lands are used for other purposes. Instead, they will have to pay other fees as established by the SRV Council of Ministers.

Machinery, Equipment Corporation Established

BK0906092890 Hanoi Domestic Service in Vietnamese 1430 GMT 6 Jun 90

[Text] Considering the requirements for rearranging the organization, production, and business of the engineering sector, on 12 May 1990, the chairman of the Council of Ministers issued a decision authorizing the establishment of a general corporation of industrial machinery and equipment.

The duties of the general corporation of industrial machinery and equipment are to manufacture, deal in, service, and directly export and import all kinds of machinery, industrial equipment parts and assemblies, and spare parts for all items of equipment and tools of all sectors. The general corporation is placed under the direct managerial control of the Heavy Industry Ministry and under the state management control of other ministries and state commissions in accordance with current laws on those related issues.

HANOI MOI on Shortage of Nitrate Fertilizer

BK0906133590 Hanoi Domestic Service in Vietnamese 2300 GMT 4 Jun 90

[Article by Le Hang in "recent" issue of HANOI MOI: "Shortage of Nitrate Fertilizer Is Endangering Agricultural Production in Hanoi Suburbs"]

[Summary] "At this time last year, there was an unsellable surplus of nitrate fertilzer in Hanoi. However, as of 30 May this year, the municipality still had not been able to buy even a kilogram of this fertilzer. While the plan for the 10th-month crop production calls for the supply of as many as 15,000 metric tons of urea nitrogen, there remains a possibility that Hanoi will not be able to buy any if it still fails to clear its old debts.

"Thus, a shortage of nitrate fertilzer has emerged, endangering agricultural production in Hanoi suburbs. This situation has stemmed mainly from the excessive amounts of long-standing debts of level-III corporations to level-II corporations, of level-II corporations to level-I corporations, and of level-I corporations and the General Agricultural Material Supply Corporation to their Soviet suppliers.

"According to the statistics of the General Agricultural Material Supply Corporation, level-II corporations' debts to the general corporation itself have now amounted to 91 billion dong, with Hanoi accounting for 16 billion dong. Therefore, the general coporation does not have money to pay the state for the import of goods. Meanwhile, the implementation of the protocol on fertilizer between our state and the Soviet state has encountered numerous difficulties due to the many upheavals in the Soviet Union."

To ensure fertilizer for the 10th-month crop production, the General Agricultural Material Supply Corporation has adopted many decisive measures, including a decision not to supply a new quantity of fertilizer before payment for the old quantity is made. "The municipal agricultural material supply corporation has accumulated a total sum of 433.6 million dong for the purchase of a new quantity of nitrate fertilizer. This sum of money, however, has been deducted against old debts by the supplier. Hanoi will not receive a single kilogram of nitrate fertilizer if it fails to clear all of its old debts."

It is already the beginning of June, the sowing of rice seedlings in preparation for the 10th-month rice crop has begun. However, there still remains a shortage of nitrate fertilizer, which is is posing a threat to the agricultural production activities of millions of peasants.

Results of Winter-Spring Rice Crops Reported

BK0806143590 Hanoi International Service in English 1000 GMT 8 Jun 90

["Talk of the Week" feature]

[Text] The winter-spring crop is the first in the year. In the southern provinces, it is followed by the summer-autumn crop; and in northern provinces, by the autumn crop. These crops produce enough food for 60 million Vietnamese people, and since 1989 Vietnam has exported rice. The profit gained from such exports will be used in paying national debts and investing in economic development.

In this winter-spring crop, the whole country planted rice in nearly 2 million hectares. The southern farmers have reclaimed waste lands in the Plain of Reeds and the Long Xuyen Quadrangular Area in the southwestern part of the country, bringing the acreage under rice to the largest so far. Early this year, more than 72,000 hectares of lands in this area were reclaimed and put into production. In general, the winter-spring harvest in southern provinces was good. Rice growers in An Giang Province reached 600 kg of paddy per hectare while those in Dong Thap attained 550 kg.

However, the situation in northern provinces was less encouraging. Large ricefields in many northern provinces were destroyed or damaged by crop pests, bringing down the rice output and yield of the north to a considerable level. As a result, a number of households in the central provinces—Thanh Hoa, Nghe Tinh, and Quang Binh—especially large families with many small children, those who lack workhands or were struck by natural calamities, have suffered food shortage. Food shortage often occurred in northern and central provinces in preharvest days. This situation has caused rice fever in Hanoi and some Red River Delta provinces of Ha Nam Ninh, Hai Hung, and others.

To actively cope with the situation the local authorities have, in diversified forms, assisted those families who are entitled to social welfare subsidies. They have also commissioned grain and food trading companies to go and purchase rice from all parts of the country, especially from southern provinces, to serve the local people. In Hanoi, all food trading companies have prepared enough rice and sell to the city dwellers at a price between five-10 percent lower than that in the free market. Therefore, the balance between supply and demand in the capital has been preserved.

However, the winter-spring is the first crop of 1990 and the result of the year's rice production has not yet been estimated. We believe that the Vietnamese peasants, seasoned and experienced in coping with abnormal weather and natural calamities, will reach their aim of producing 21.5 million tonnes of rice this year.

Seminar on Environmental Pollution Inspection

BK0806072090 Hanoi VNA in English 0700 GMT 8 Jun 90

[Text] Hanoi VNA June 8—A seminar on inspection and prevention of environmental pollution was recently held in Ho Chi Minh City on the occasion of the World Environment Day (June 5).

The seminar, cosponsored by the Tropical Technical and Environmental Protection Institute and the city's Scientific Technical Committee, was attended by Mr. Gonsalez, WHO representative; Bonnemy, UNIDO [United Nations Industrial Development Organization] director; and Ablakadi, UNICEF official in Vietnam. Fifteen reports were presented at the seminar on inspecting and fighting water and air pollution. The participants expressed their concern over the threat of pollution in the city and discussed scientific and technical measures to prevent it.

WHO Collaborating Center Opened in Hanoi 8 Jun

BK0906101590 Hanoi VNA in English 0739 GMT 9 Jun 90

[Text] Hanoi VNA June 9—The World Health Organization Collaborating Centre for Health Biomedical Information in the French-Speaking Countries (WHO-CENIMEFRA) was opened here yesterday by WHO and the Vietnam's Central Institute for Medical Science Information (CIMSI).

Prof. Dinh Duc Tien, CIMSI director, was appointed director of the WHO-CENIMEFRA.

Present at the opening ceremony were Prof. Dr. Hoang Dinh Cau, president of the General Medicine Association; Dr. Mario Gonzalez, WHO representative in Vietnam; Dr. James Roboy, WHO consultant for health biomedical information in the West Pacific region; and representatives of the Lao and Cambodian Embassies here.

Addressing the inauguration, Mr. Hoang Dinh Cau expressed sincere thanks to WHO for its cooperation in opening the centre.

The same day, an international seminar on health and biomedical information was opened at the centre.

Participants focussed on the tasks of the centre, and the effective use of WHO documents. The seminar also discussed how to carry out WHO's work in Vietnam in 1990-1991.